AGENDA
SENATE STATE AFFAIRS COMMITTEE
8:00 A.M.
Room WW55
Wednesday, January 16, 2019

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<th>SUBJECT</th>
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<tr>
<td>PAGE INTRODUCTION:</td>
<td>INTRODUCTION of Page Brigham Chelson from St. Anthony, Idaho</td>
<td>Chairwoman Lodge</td>
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<tr>
<td>GUBERNATORIAL APPOINTMENT:</td>
<td>THE GUBERNATORIAL RE-APPOINTMENT of Daniel Kunz to the Idaho Energy Resources Authority.</td>
<td>Daniel Kunz</td>
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<td>INTRODUCTION OF THE RULES:</td>
<td>EXPLANATION of the rules process.</td>
<td>Vice Chairman Harris</td>
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<td>DOCKET NO. 31-1101-1801 PENDING RULE:</td>
<td>31.11.01 - Safety and Accident Reporting Rules for Utilities Regulated by the Idaho Public Utilities Commission</td>
<td>Paul Kjellander, Commissioner, Idaho Public Utilities Commission</td>
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If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS
Chairman Lodge                          Sen Anthon
Vice Chairman Harris                    Sen Souza
Sen Hill                                Sen Stennett
Sen Winder                              Sen Buckner-Webb
Sen Vick

COMMITTEE SECRETARY
Twyla Melton                           Room: WW42
Phone: 332-1326                         email: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Wednesday, January 16, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb
ABSENT/EXCUSED: None

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 in the minutes in the Legislative Services Library.

CONVENED: Chairwoman Lodge called the Senate State Affairs Committee (Committee) to order at 8:00 a.m. with a quorum present and welcomed new members Vice Chairman Mark Harris and Senator Mary Souza.

INTRODUCTION OF PAGE: Chairwoman Lodge introduced Brigham Chelson. Mr. Chelson stated he is a Senate page from St. Anthony, attends South Fremont High School, and will graduate May 29, 2019. He stated he has four older siblings who were also pages. They all loved the experience so he decided to join their group. He also attended Boys State which increased his interest in government.

Mr. Chelson explained that he was diagnosed with a hip disease at nine years of age and could not participate in contact sports but found he did like golf. There is no golf team at South Fremont so he has been working with the Athletic Director and Principal over the last four years to form a golf team. His efforts should come to fruition this year. He has applied to Brigham Young University Provo and also plans to serve a full time mission for the Church of Jesus Christ of Latter-day Saints.

Chairwoman Lodge stated her appreciation for Mr. Chelson’s dedication to the job of page and welcomed him to the Committee.

GUBERNATORIAL The Gubernatorial Re-appointment of Daniel Kunz to the Idaho Energy Authority (IERA).

Chairwoman Lodge welcomed Mr. Kunz and asked him to introduce himself to the Committee and tell them why he enjoys serving on the IERA.

Mr. Daniel Kunz stated that it was a privilege to be in front of the Committee and to be appointed to the IERA. The IERA is an organization that helps Idaho attract infrastructure and energy, particularly efforts with substations such as the Bonneville Power Association (Bonneville Power). The IERA has worked on a couple of financings on their behalf in the past, resulting in improved power service into Idaho.

Mr. Kunz said he and his family moved from Montana to Idaho in 1978 to work for Morrison Knudsen as part of the original mining group. Over time he also worked for other entities in mining and natural resources geology exploration which included extensive traveling. Early in 2000, he formed a geothermal energy company resulting in three producing power plants; two of them serving Idaho Power-one in Vail, Oregon and the other near Burley on Raft River. The third is in Nevada. In 2014, Mr. Kunz decided to step away from the day-to-day activities
and work on developmental projects with his son who joined his group. Mr. Kunz indicated that he had a lot of expertise in the area of energy, negotiating with construction companies as well as the financial and legal aspects. He considers it a great privilege to have the opportunity to serve on the IERA.

Senator Winder asked for an example of a financing that has occurred during the last two or three years.

Mr. Kunz responded that a multi million dollar package was put together for Bonneville Power for a substation facility that would help them maintain their funding relationship with federal entities. The IERA will issue the bonds but they are a pass-through agency. Bonneville Power guarantees the entire obligation to service the debt and use of the proceeds. There is no risk to IERA and there has been heavy vetting to protect the IERA.

Senator Stennett questioned Mr. Kunz on: 1.) Idaho policy as it pertains to renewable energy and battery storage, 2.) Idaho's progression in that arena; and 3.) Mr. Kunz's vision for renewables.

Mr. Kunz indicated that the Raft River facility was the first commercial scale, geothermal power plant in the Pacific Northwest. Idaho has an advantage because it has a predominantly hydro-power background. Also, Idaho encourages economic transactions with the various market places to take advantage of whichever renewable is most cost effective. Mr. Kunz stated his view that the next decade will focus on battery storage. Things like vanadium redox batteries are going to be the future and they will store significant quantities of electricity; then the power can be used as needed.

Senator Stennett asked which renewable will be most successful in contributing toward battery storage. Mr. Kunz gave an example from California where proposals were issued and contracts awarded for 350 megawatts (mw). Those contracts are for battery storage facilities that will replace aging gas plants.

Senator Anthon asked for Mr. Kunz's thoughts on the small modular reactors that are located in Eastern Idaho. Mr. Kunz stated in his opinion they will be remarkable. The promise is, if nuclear reaction is controlled on a small scale, it will be deployable at 50 mw increments. Fear issues will be controlled; there will be a small area that can carefully control the fuel, and when that fuel is depleted, it can be replaced. Small quantities can be controlled more efficiently. Senator Anthon stated he represents Cassia County and the Raft River area. As a community, over 90% of their energy is renewables.

Senator Anthon stated that there is a concern in his area that the Bonneville Power contracts would not be quite the same as they are today. There is a national impression that Bonneville Power has an advantage because they get power from the dams at a low cost. Mr. Kunz asserted that they are doing everything possible to keep Bonneville Power's costs down. The IERA is part of that solution along with the power that is available from entities like Raft River. Idaho does not get special treatment.

Senator Vick questioned Mr. Kunz about IERA's solar power project in Puerto Rico. Where is it located and how is the power grid repair progressing after the hurricane? Mr. Kunz explained that Puerto Rico is still in a financial crisis and has not yet recovered from hurricane Maria, which destroyed infrastructure and power sources. IERA could be part of their solutions but they have been caught up in credit issues. IERA is working with US Congress to see if they can be part of the solutions using some of the programs that are being offered to help the island and included in part of the financing packages that will be offered there. This process is not moving very quickly.
Mr. Kuntz said they do see recoveries. There is a company in Jacksonville, Florida, that belongs to a friend of Mr. Kuntz and, similar to the Fukushima disaster, they are generating emergency power with diesel so it is very expensive. There is power being restored and facilities are being repaired. However, it is a slow recovery.

Chairwoman Lodge thanked Mr. Kuntz for appearing before the Committee and sharing his interests in serving the IERA. She indicated that voting would take place at the next Committee meeting.

PASSED THE GAVEL: Chairwoman Lodge passed the gavel to Vice Chairman Harris to conduct the rules review.

Vice Chairman Harris announced that there were two docket from the Idaho Public Utilities Commission and invited Commissioner Paul Kjellander to introduce those docket.

Commissioner Paul Kjellander, Idaho Public Utilities Commission (IPUC), stated he would be presenting two Pending Rules: Docket No 31-1101-1801 and Docket No. 31-7103-1801

DOCKET NO. 31-1101-1801 Safety and Accident Reporting Rules for Utilities Regulated by the Idaho Public Utilities Commission

Commissioner Kjellander stated that Docket No. 31-1101-1801 comes under the umbrella of the American National Standards Institute (ANSI), which is a non-profit, privately funded membership organization. ANSI creates model rules that are compiled for a variety of different industries. States are then asked to voluntarily approve them. Docket No. 31-1101-1801 contains standards that relate to the 2017 National Electric Safety Code (Code). There is a broad range of areas included within the Code and the revisions will stay in effect for about five years. Some of the revisions are: the creation of an exemption for underground cable grounding requirements, revision of some requirements for substations, penetrable fences for health and public safety, and added requirements for extended clearance for communication cable space if a luminaire is not effectively grounded. Other corrections included spelling errors and definitions.

MOTION: Senator Souza moved to approve Docket No 31-1101-1801. Chairman Lodge seconded the motion. The motion carried by voice vote.

DOCKET NO. 31-7103-1801 Railroad Safety and Accident Reporting Rules

Commissioner Kjellander explained that the rule under Docket No. 31-7103-1801 was promulgated by the Idaho IPUC to include commercially bottled water as an acceptable source of drinking water for railroad employees. Water is injected and if it is fouled, it could create health and safety problems for a lifetime. This item is taken seriously. The rule defines what the railroad has to comply with as it relates to providing water to the railroad's employees.

MOTION: Senator Vick moved to approve Docket No. 31-7103-1801. Senator Stennett seconded the motion. The motion carried by voice vote.

PASSED THE GAVEL: Vice Chairman Harris passed the gavel back to Chairwoman Lodge.

ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 8:30 p.m.

Senator Lodge, Chair                                                Twyla Melton, Secretary
### AMENDED AGENDA #1

#### SENATE STATE AFFAIRS COMMITTEE

**8:00 A.M.**  
Room WW55  
Friday, January 18, 2019

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<td>THE GUBERNATORIAL RE-APPOINTMENT of Daniel Kunz to the Idaho Energy Resources Authority.</td>
<td>Richelle Sugiyama</td>
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<td>GUBERNATORIAL APPOINTMENTS:</td>
<td>THE GUBERNATORIAL APPOINTMENT of Richelle Sugiyama to the Treasurer's Investment Advisory Board.</td>
<td>Todd Gill</td>
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<td>GUBERNATORIAL APPOINTMENTS:</td>
<td>THE GUBERNATORIAL APPOINTMENT of Todd Gill to the Treasurer's Investment Advisory Board.</td>
<td>Jonathan Mark Browning</td>
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#### DOCKET NO. 38-0409-1802

**PENDING RULE:**  
IDPA 38 - DEPARTMENT OF ADMINISTRATION 38-04-09 - Rules Governing Use of the Chinden Office Complex  
Docket No. 38-0409-1802 (New Chapter) - page 14 green/yellow tab  
Keith Reynolds, Deputy Director, Department of Administration

#### DOCKET NO. 34-0602-1801

**PENDING RULE:**  
IDAPA 34 – OFFICE OF THE SECRETARY OF STATE 34.06.02 – RULES GOVERNING THE ELECTRONIC RECORDING OF PLATS, RECORDS OF SURVEY, AND CORNER RECORDS.  
Docket No. 34-0602-1801 (New Chapter) Notice of Rulemaking – Adoption of Pending Rule. page 9 green/yellow tab  
Chad Houck, Deputy Secretary of State

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

**COMMITTEE MEMBERS**

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MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Friday, January 18, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb
ABSENT/EXCUSED: None
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 convened the Senate State Affairs Committee at 8 a.m. with a quorum present.

VOTE ON GUBERNATORIAL RE-APPOINTMENT OF Daniel Kunz to the Idaho Energy Resources Authority.
MOTION: Senator Winder moved to send the gubernatorial re-appointment of Daniel Kunz to the Idaho Energy Resources Authority to the Senate floor with the recommendation that he be confirmed by the Senate. Senator Vick seconded the motion. The motion carried by voice vote.

GUBERNATORIAL APPOINTMENT: THE GUBERNATORIAL APPOINTMENT of Richelle Sugiyama to the Treasurer's Investment Advisory Board (Board)

Richelle Sugiyama, Investment Officer for the Public Employment Retirement System of Idaho (PERSI), explained she is a Boise State University graduate and has extensive experience working in the investment industry. It has been a privilege to serve the State. Ms. Sugiyama stated she also serves with Senator Winder on the Endowment Fund Investment Board (EFIB). In addition, she serves on various other committees and organizations. Ms. Sugiyama requested the Committee's approval of her appointment to the Board because the EFIB has a lot of interaction with the Treasurer's Office. This could provide both the EFIB and Treasurer's Office insight into government activities.

Senator Hill asked how effective the Board is in providing advice to the Treasurer and how responsive has the Treasurer been in the past. Ms. Sugiyama said this is her first appointment to the Board and she has attended one meeting. Her understanding is they serve as a sounding board and provide recommendations to the Treasurer's Office. The Board is a great support system for the Treasurer's Office.

Senator Winder explained that the Board was established a few years ago because of some significant issues and criticisms of the Treasurer. The Legislature determined that it would be beneficial to get good, qualified people to help the Treasurer make some decisions as to the placement of funds the Treasurer has under that jurisdiction. The Board has been an improvement and the Treasurer appreciates the advice that has come forward. It is an exceptional Board of very talented people and Senator Winder's opinion was that Ms. Sugiyama will add a new dimension.
**THE GUBERNATORIAL APPOINTMENT** of Todd Gill to the Treasurers Investment Advisory Board (Board).

Todd Gill, stated he was born and raised in Idaho, grew up on a cattle ranch outside of Glenns Ferry, and attended Northwest College in Nampa. He is a Certified Public Accountant (CPA) and started his career at Deloitte & Touche LLP (Deloitte Touche) in 1992 where he remained until taking a position at United Heritage Financial Group (UHFG) in 2004. He is currently Executive Vice President, Chief Financial Officer (CFO), and Chief Operating Officer at UHFG. Mr. Gill explained that his experience at Deloitte Touche as a CPA and as CFO for UHFG provides a background that would be able to assist this Board and the Treasurer's needs. Due to his experience with a sizeable investment portfolio, his perspective on the market, and with investment management, Mr. Gill stated his belief that he would be able to assume a good advisory role to the Treasurer’s office and support them to meet the needs of the State.

Senator Winder and Chairwoman Lodge thanked Mr. Gill for agreeing to serve in this capacity and congratulated him on his promotions. Senator Winder acknowledged that Julie A. Ellsworth, Idaho State Treasurer was attending the meeting.

**THE GUBERNATORIAL APPOINTMENT** of Jonathan (Mark) Browning to the Idaho State Racing Commission.

Mark Browning said he questioned what he could bring to the Idaho State Racing Commission (Commission), although he had grown up on a cattle/sheep, hay/grain farm in Montana. He herded those animals with motorcycles. His strengths are that he came from farm roots; from the land. He appreciates and understands hard work, small business, and understands the work ethic. Mr. Browning stated he has been fortunate over the past six months, learning and meeting many of the people within Idaho's racing industry. He is beginning to get an understanding of some of the challenges that they face and what must be done as a state. Mr. Browning acknowledged that he didn't know what it takes to raise a good thoroughbred or make a successful quarter horse get across the line first, but he does know what it takes to make sure that what is done has integrity and is done in a legal and ethical way. Mr. Browning stated his belief that he can bring some experience in that arena; navigating how the Commission might go about changing a rule or making code changes and other issues that must be addressed. He voiced his utmost faith and trust in the staff and commissioners. Hard decisions must be made in the future; they are running out of money and races don't generate enough to sustain the operation. Mr. Browning stood for questions.

Senator Winder asked if Mr. Browning had any thoughts about how we can make Idaho a better place for racing. Mr. Browning said he has done some cursory research and they are attempting to make some headway on the doping issue through hair and blood testing; this must absolutely be in place. In terms of the financial viability, not only for the horse owner but also for the track, and for small businesses that support racing, it will take much more work and right now there are no concrete ideas.

Senator Hill thanked Mr. Browning for serving in this capacity. He agreed that the racing industry faces significant challenges. He is meeting with a group of people in the industry in Blackfoot and they can come up with some of their own solutions with Mr. Browning's help. Mr. Browning thanked the Pro Tem for his vote of confidence. He has found that the best and most sustainable solutions come from within.

Senator Souza stated she has known Mr. Browning a long time and disagrees
that his most important ability is asking questions; she believes it is bringing people together. She believes he brings all sides together so they can talk and hear each other. That will be an enormous benefit.

Chairwoman Lodge thanked Mr. Browning and announced that voting on the Gubernatorial Appointments would occur at the next meeting.

Chairwoman Lodge passed the gavel to Vice Chairman Harris to conduct the rules review.

DOCKET NO. 38-0409-1802
PENDING RULE:

**Keith Reynolds**, Deputy Director and Chief Financial Officer, Department of Administration, presented **Docket No. 38-0409-1802**. He introduced Brian Mooney, Director of the Department of Administration and Julie Weaver from the Attorney General's Office. The State completed the purchase of the former Hewlett Packard (HP) site on December 21, 2017, now referred to as the Chindon Campus. The property is located in Boise on the West bench, it consists of eight buildings totalling over 1.5 million square feet on 197 acres of land. As part of the purchase and sale agreement, HP will maintain its presence in Idaho and has leased back approximately one-half of the office space. In addition, the State has assumed existing leases for four other private tenants with those leases expiring between July of this year and 2030. It is because of the State's purchase of the Chindon property along with the State's obligation to manage the facility for the benefit of the tenants and the public that these rules are brought forward for the Committee's consideration.

**Mr. Reynolds** raised the question: "why are these rules necessary". There are two primary reasons: 1.) Local ordinances do not apply to state property; and 2.) The Administrative Procedures Act says that to bind the public, there must be guidance in rule or statute. Temporary rules were issued effective on the same date as the real estate closing and have continued over the past year. These apply only to Chindon; they are modeled after the rules adopted in 2013 governing the exterior of the Capitol Mall. There are some modifications for the unique nature of Chindon. **Mr. Reynolds** provided a broad overview of the rules pointing out areas unique to Chindon in contrast to the Capitol Mall.

**Senator Hill** spoke to "prohibited uses" in subsection (a) regarding "concessions authorized by law". **Senator Hill** asked two questions: 1.) Concessions authorized by law are prohibited; what does that mean? and 2.) Does that mean the Director of Administration could not authorize a commercial concession? **Mr. Reynolds** stated commercial activities are banned but there is a list of commercial activities that are not prohibited. A concession authorized by law is not a prohibited activity. **Senator Hill** referred to the end of subsection (a), which outline prohibited commercial activities, and the last sentence says "the following are not commercial activity prohibited by this subsection". **Mr. Reynolds** concurred.

**Mr. Reynolds** continued with his explanation of the rule.

**Senator Vick** referred to the restrictions on animals swimming in the irrigation ditches and ponds and asked if signs are posted to that effect. **Mr. Reynolds** responded he thought there were signs posted, if not, he will see that signs are posted.

**Mr. Reynolds** closed with the health and safety rule. With that he would answer any questions.

**Senator Stennett** asked Mr. Reynolds if he foresaw other tenants, who are not
state agencies or departments, being a tenant, and how would these rules monitor and give structure for more than one entity operating differently within the complex. **Mr. Reynolds** clarified that when the purchase was completed, an allowance was made to be able to accept the leases of the existing tenants. The Department of Administration does not have legislative authority to enter into any other private leases. Any other tenants would be government agencies or non-profit groups similar to tenants in the Capitol Mall. This is a legal question. Mr. Reynolds yielded to Ms. Julie Weaver, Deputy Attorney General serving as legal counsel. **Ms. Weaver** said that current leases have been incorporated as part of the original purchase agreement.

**MOTION:** Senator Vick moved to approve Docket No. 38-0409-1802. Senator Anthon seconded the motion.

Senator Buckner-Webb asked how security will be maintained and will there be a security presence after work hours. **Mr. Reynolds** responded that security is contracted with the same company that has the security contract for the Capitol Mall; this includes a 24/7 presence at the Mall. As more State tenants occupy space at Chinden, security will be increased but there is security continually controlling the site.

The motion carried by **voice vote**.

**DOCKET NO.**

IDAPA 34 – OFFICE OF THE SECRETARY OF STATE 34.06.02 – RULES GOVERNING THE ELECTRONIC RECORDING OF PLATS, RECORDS OF SURVEY, AND CORNER RECORDS.

**Mr. Chad Houck**, Deputy Secretary for the Idaho Secretary of State’s Office (SOS), stood before the Committee to present Docket No. 34-0602-1801. This rule is brought forward to implement and better define the interpretation of statute. It is part of Title 31, Chapter 29, The Electronic Recording of Real Property Act. This rule allows the SOS to better define the resolution, the size, the file type, and the specific means by which corner records (plats) can be recorded at the county court house. There is no fiscal impact, it simply lays out standards and clearly defines the process for those counties that participate. **Mr. Houck** noted that these rules were presented to the Idaho Association of Clerks and County Recorders. They voted to unanimously support these rules at their August meeting. The rules were also presented to the Electronic Recording Commission in February, 2018 at their annual meeting. They had no objections and voted to support these rules.

**Senator Stennett** ask for examples of what would be substantially changed in this process. **Mr. Houck** said this is an entirely new chapter. There was no prior guidance. Section 011, Electronic Filing and Recording, subsection 01, now provides specifications for a finished size as required by statute. It also defines color, format, and resolution requirements. This brings detail and consolidates the format. There are clear specifications that a plat be signed by a professional land surveyor, including their electronic seal and signature. The rule adds detail when submitting them for filing and allows the counties to say they are in the wrong format if not standardized.

**Senator Stennett** asked if there are any problems with equipment or supplies that would hinder compliance with this exact criteria. **Mr. Houck** stated there was no issue. He said that, in reference to her previous question, any prior submissions are brought to standard.

**Vice Chairman Harris** asked if there is a hard copy backup. **Mr. Houck** yielded to **Thomas Judge**, Deputy Director of the Idaho Board of Professional Engineers and Professional Land Surveyors, who explained that the current rule was taken
from the Utah system. They keep electronic copies on site and through a third party. The counties are free to maintain hard or digital copies for backup. This system is very secure.

MOTION: Senator Souza moved to approve Docket No. 34-0602-1801. Chairwoman Lodge seconded the motion. The motion carried by voice vote.

PASSED THE GAVEL: Vice Chairman Harris passed the gavel back to Chairwoman Lodge.

ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 8:50 a.m.
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<td>THE GUBERNATORIAL APPOINTMENT of Kyle Wills to the State Athletic Commission.</td>
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<td>THE GUBERNATORIAL RE-APPOINTMENT of Paul Jagosh to the Idaho Commission on Human Rights.</td>
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<td>THE GUBERNATORIAL APPOINTMENT of Hyrum Erickson to the Idaho Commission on Human Rights.</td>
<td>Hyrum Erickson</td>
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<td>DOCKET NO 52-0103-1801 PENDING RULE:</td>
<td>IDAPA 52 – IDAHO STATE LOTTERY COMMISSION – 52.01.03 – Rules Governing Operations of the Idaho State Lottery Docket No. 52-0103-1801– Notice of Rulemaking – Adoption of Pending Rule. page 52 yellow/green tab</td>
<td>Jeff Anderson, Executive Director, Idaho State Lottery</td>
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<td>PRESENTATION:</td>
<td>LEGISLATIVE SERVICES OFFICE BRIEFING to Senate State Affairs</td>
<td>Paul Headlee, Budget &amp; Policy Division Manager; and LSO analysts</td>
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If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.
DATE: Monday, January 21, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairwoman Harris, Senators Hill, Winder, Vick, Anthon, Souza, and Buckner-Webb
ABSENT/EXCUSED: Senator Stennett
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 8:00 a.m.
VOTE ON GUBERNATORIAL APPOINTMENTS:

The Gubernatorial appointment of Richelle Sugiyama to the Treasury’s Investment Advisory Board.

The Gubernatorial appointment of Todd Gill to the Treasurer’s Investment Advisory Board.

The Gubernatorial appointment of Jonathon Mark Browning to the Idaho State Racing Commission.

MOTION: Senator Winder moved to send the Gubernatorial appointment of Richelle Sugiyama to the floor with the recommendation that she be confirmed by the Senate. Senator Buckner-Webb seconded the motion. The motion carried by voice vote.

MOTION: Senator Anthon moved to send the Gubernatorial appointment of Todd Gill to the Senate floor with the recommendation that he be confirmed by the Senate. Senator Souza seconded the motion. The motion carried by voice vote.

MOTION: Senator Souza moved to send the Gubernatorial appointment of Jonathon Mark Browning to the floor with the recommendation that he be confirmed by the Senate. Senator Vick seconded the motion. The motion carried by voice vote.

GUBERNATORIAL APPOINTMENTS:

The Gubernatorial appointment of Kyle Wills to the State Athletic Commission (Commission).

Kyle Wills, Boise Police Department (BPD), executive board member at Optimist Youth Football (OYF), said he worked in law enforcement for over 22 years, 17 years being with the City of Boise. Mr. Wills said he was raised in a law enforcement family, and that background helped him develop his passion for serving others in his community. He spent 10-12 years volunteering for the OYF.

Mr. Wills fielded questions concerning his position, promoter licenses, and finance. He said the biggest challenge for the commission was improving state standards to coincide with those of national and neighboring states.
The Gubernatorial re-appointment of Paul Jagosh to the Idaho Commission on Human Rights (Commission).

Paul Jagosh, violent crimes detective, Boise Police Department (BPD), informed the Committee he had been with the BPD for over 21 years. He also sat on many charity boards throughout his career. He was asked to serve on the Commission two years ago and the majority of his work was related to labor law.

In response to questions, Mr. Jagosh said that the majority of the commission's clients file cases of unlawful termination based on race or religion, or when they felt they were overlooked for rising job opportunities because of race or religion. He explained that the number of cases was the most challenging part but the support staff was indispensable.

Benjamin Earwicker, Director, Human Rights Commission, answered further technical questions regarding client confidentiality and the Commission's processes.

Vice Chairman Harris asked if cases had increased in the last few years. Mr. Earwicker reported they had the highest number of investigations in their organization's history; they experienced an increase of 10-15 percent last year, which he thought was due to population growth and knowledge of their process.

The Gubernatorial re-appointment of Hyrum Erickson to the Idaho Commission on Human Rights (Commission).

Hyrum Erickson, attorney, said he was excited to serve on the Commission and appreciated the opportunity to serve others.

Chairwoman Lodge passed the gavel to Vice Chairman Harris.

PASSED THE GAVEL:

DOCKET NO. 52-0103-1801

PENDING RULE

IDAPA 52 - Idaho State Lottery Commission - 52.01.03 - rules governing operations of the Idaho State Lottery. Jeff Anderson, Executive Director, Idaho State Lottery (ISL), said the pending rule relates to procedures for balancing the central gaming and internal control systems following a draw for games such as Powerball. The goal is to eliminate human error by replacing draw managers responsible for data entry with encrypted data transfers. He said there are four temporary draw managers who work 120 hours per month.

In response to a question from Chairwoman Lodge, Mr. Anderson said the tribal impact line item in their budget was the result of an engagement with the Tribal Gaming Council (TGC) requiring ISL to profit share if sales took place in TGC territory.

MOTION:

Senator Souza moved to approve Docket No. 52-0103-1801. Chairwoman Lodge seconded the motion. The motion carried by voice vote.

PASSED THE GAVEL:

Vice Chairman Harris passed the gavel back to Chairwoman Lodge.

PRESENTATION:

Legislative Services Office Briefing. Paul Headlee, Manager, Budget and Policy Division, Legislative Services Office (LSO), introduced the Joint Finance and Appropriations Committee's (JFAC) Decision Unit Budget Model and explained its steps. In manageable increments, JFAC looks at the budget which allows the system to remain flexible. Budget hearings are reviewed in three-year windows, allowing them to interpret the previous year, examine the present, and make assumptions toward the coming year. Primarily, the
charge of JFAC is to analyze individual agency requests and the governor's recommendations and provide those details to the legislature.

Keith Bybee, Deputy Division Manager, Budget and Policy Division, LSO, discussed the Division of Financial Management (DFM), maintenance of current operations, and technology initiatives. He said the majority of DFM’s budget funds personnel costs and explained that they had a Budget Bureau who's role was to help promote the governor's vision of short and long term policies through effective resource allocation. In a way, he said, they are counterparts for the executive branch.

Senator Hill asked where to find a total cost of each initiative in the budget book and what dedicated funds are being used to pay for those. Mr. Bybee responded that they don't yet have a centralized section showing full cost of initiatives but they had generated custom reports. In response to the second question, he said a dedicated fund agency allocates costs between their funds.

Rob Sepich, Analyst, LSO, said his primary focus was on natural resource agencies. He explained the purpose of the Endowment Fund Investment Board, stating that they invest the endowment fund and the gains on those funds to increase earnings for beneficiaries. They also manage the funds and trusts of other government agencies.

Maggie Smith, Analyst, LSO, discussed the scope and general fund allotted to the State Treasurer's budget as well as their role, purpose, and the history of their appropriation. She mentioned line items on their budget to better understand the process and cross referenced the Governor's recommendations.

Ms. Smith explained the State Lottery Budget, an entirely dedicated fund agency; the sale of lottery tickets fund their operations. Largely, their budget consists of maintenance. She explained the overall revenue collections and the distribution of revenue to beneficiaries. Lastly, she explained the State Liquor Division, a dedicated fund agency with 240 full time equivalent positions. She explained their maintenance and line item requests.

Jill Randolph, Analyst, LSO, explained the Department of Administration's (DOA) role, and program areas within the DOA. She discussed personnel and maintenance line item requests from the DOA and compared those to the Governor's recommendation. Additionally, She informed the Committee that the DOA oversees three other parts of the budget, including bond payments, the Capitol Commission, and the Permanent Building Fund. In response to a question from Senator Souza, she explained varying bond interest rates and the renegotiation process.

Preservation and use of capital is the Capitol Commission's role Ms. Randolph explained. Endowment land funds and investments provide the ongoing funding for the program. There are statutory sources of revenue to fund the Permanent Building Fund.

**ADJOURN:**

There being no further business at this time, Chairwoman Lodge adjourned the meeting at 9:35 p.m.

_Senator Lodge, Chair_  
_Twyla Melton. Secretary_  
_Assisted By Bryce DeLay_
AGENDA
SENATE STATE AFFAIRS COMMITTEE
8:00 A.M.
Room WW55
Wednesday, January 23, 2019

<table>
<thead>
<tr>
<th>SUBJECT</th>
<th>DESCRIPTION</th>
<th>PRESENTER</th>
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<tbody>
<tr>
<td>GUBERNATORIAL APPOINTMENT:</td>
<td>THE GUBERNATORIAL APPOINTMENT OF Alex Adams as Administrator of the Division of Financial Management.</td>
<td>Alex Adams</td>
</tr>
<tr>
<td>PRESENTATION:</td>
<td>IDAHO NATIONAL LABORATORY (INL) UPDATE CARBON FREE POWER PROJECT UPDATE</td>
<td>Mark Peters, Laboratory Director Doug Hunter, CEO of Utah Associated Municipal Power Systems (UAMPS)</td>
</tr>
</tbody>
</table>

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS
Chairman Lodge
Vice Chairman Harris
Sen Hill
Sen Winder
Sen Vick
Sen Anthon
Sen Souza
Sen Stennett
Sen Buckner-Webb

COMMITTEE SECRETARY
Twyla Melton
Room: WW42
Phone: 332-1326
email: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Wednesday, January 23, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb
ABSENT/EXCUSED: None
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 8:00 a.m. with a quorum present.


MOTION: Senator Winder moved to send the Gubernatorial appointment of Kyle Wills to the State Athletic Commission to the floor with the recommendation that he be confirmed by the Senate. Senator Hill seconded the motion. The motion carried by voice vote.

MOTION: Senator Buckner-Webb moved to send the Gubernatorial re-appointment of Paul Jagosh to the Idaho Human Rights Commission to the floor with the recommendation that he be confirmed by the Senate. Senator Souza seconded the motion. The motion carried by voice vote.

MOTION: Senator Hill moved to send the Gubernatorial appointment of Hyrum Erickson to the Idaho Human Rights Commission to the floor with the recommendation that he be confirmed by the Senate. Vice Chairman Harris seconded the motion. The motion carried by voice vote.

GUBERNATORIAL APPOINTMENT: The Gubernatorial Appointment of Alex Adams as Administrator of the Division of Financial Management.

Alex Adams, Administrator of the Division of Financial Management (DFM), extended his appreciation for the opportunity to work with this Committee and the DFM. Mr. Adams said he has previously worked with some of the Committee members in his role as Administrator of the State Board of Pharmacy. His current goals stem from statute which outlines the purpose of the DFM. The primary role of DFM is to support the Governor in his role as Chief Budget Officer in the development of the executive budget for presentation to the Legislature each year. Currently, the budget principles are to ensure a structurally balanced budget, conservative spending, and to contain government so it grows slower than the economy. Mr. Adams stated his primary goal is to ensure that the Governor is able to accomplish those principles.

Mr. Adams related his experiences at the State Board of Pharmacy; his major emphasis was regulatory reform. They cut 55 percent of the word count in pharmacy regulations, eliminated six types of licenses, and eliminated 62
percent of the restrictions. According to the Governor's State of the State speech, regulatory reform will be a priority. Those efforts will be part of DFM and Mr. Adams is looking forward to participating in those activities for the State.

**Senator Vick** asked Mr. Adams what his financial background was that would qualify him for this position. **Mr. Adams** recounted that he went to graduate school at John Hopkins University and then completed several certification programs including: The U.S. Chamber of Commerce's Institute for Organization Management on financial management and budgeting and the American Society of Association Executives program on financial management, budgeting, and accounting. He ran a State agency where he followed the Joint Finance Appropriations Committee (JFAC) presentations as that agency’s budget was structured.

**Senator Hill** asked what led Mr. Adams to make such a significant change in his career. **Mr. Adams** explained that he grew up in a small town in Ohio where his dad, grandfather, and great-grandfather all owned independent pharmacies; he is a fourth generation pharmacist by training. During his educational years, he changed his direction and interest to policy and politics; he went to work for a local state senator. He also worked Washington, D.C. for seven years.

**Senator Stennett** asked him what immediate changes he foresees at the DFM. **Mr. Adams** stated he wants to study first and not rush into any actions, although he does have some changes in mind. The one thing to think about is the maintenance budget which is growing at 5.2 - 5.5 percent; there must be a robust review as to what is sustainable over the long term. **Mr. Adams** commented on how the Legislative Services Office (LSO) has branched out and is trying to get the germane policy committees more involved in the budget process to allow for a more in-depth knowledge of the budget process for members of the legislature.

**Mr. Adams** voiced some thoughts on the economic outlook for the State. The State needs to position itself to ensure there is adequate funding in the rainy day funds to offset any drastic shortfalls. In terms of other changes, when the executive orders are out on regulatory reform, the DFM will have a significant part to play.

**Senator Souza** asked how Mr. Adams would take the philosophy of "evidenced based" to this job. **Mr. Adams** responded DFM has responsibility for Title 67 Chapter 19 and that relates to the strategic plan and performance reports for each agency. **Mr. Adams** explained those reports in more detail.

**Chairwoman Lodge** thanked Mr. Adams and stated that voting would be held at the next meeting.

### PRESENTATION: IDAHO NATIONAL LABORATORY (INL)

**Mark Peters**, Director, INL, introduced Doug Hunter, CEO of Utah Associated Municipal Power Systems (UAMPS), who will have information on the small modular reactor project following the INL presentation. **Mr. Peters** stated he has been at INL about three and one-half years; INL is doing very well, but not without challenges. During Mr. Peter's presentation he talked about INL's highlights, accomplishments, and opportunities which are important to the State of Idaho.

**Mr. Peters** introduced his associates who were in attendance: Marianne Walsh, Deputy for Science and Technology and an expert on energy research and development; Rita Baranwal, INL, who has been nominated as the U. S. Department of Energy's Assistant Secretary for Nuclear Energy; and Leah Guzowski, Industry Engagement at INL who will be assisting with interaction plans engaging the private sector.
Mr. Peters described the INL site located in Idaho Falls, Idaho. The 17 laboratories at the site provides a tremendous capability to test reactors. This capability differentiates INL from other laboratories. The National Reactor Innovation Center (NRIC), authorized under the Nuclear Energy Innovation Capabilities Act of 2017 will allow INL to go forward to accommodate advanced reactor concept companies who want to use the INL site and its capabilities to demonstrate more advanced systems. This is an important opportunity for economic development and jobs for Idaho. Mr. Peters expanded on the types, size, and capabilities of the systems they are working on. They are making great progress at INL as well as engaging in collaboration through their education mission with the research universities: University of Idaho, Idaho State University, and Boise State University. In the area of workforce development, INL has a very important role in helping to build the next generation in the areas of scientists and engineers; there is a particular interest in Science, Technology, Engineering, and Math (STEM) and putting corporate resources into those programs. Currently, INL will be doing an annual update of their economic impact (see attachment 1 final slide). Mr. Peters stated it is very important for INL to be active throughout the State although their biggest footprint is in eastern Idaho.

DISCUSSION:

Vice Chairman Harris asked if education opportunities in the STEM program allowed INL to offer internships for Idaho schools. Mr. Peters replied that opportunities were there for late high school, but internships are more extensive at the undergraduate level.

Senator Souza referred to the major construction scheduled for completion in 2026 and asked where the specialized construction workforce will come from to create and build the specialized facilities being planned; how many people will need to migrate to Idaho. Mr. Peters replied that the requirements will be in the hundreds in operations, and in the thousands during the construction phase. This will be one of the biggest challenges INL faces.

Senator Winder explained that he toured facilities in France where nuclear energy was being generated. He observed the process to recycle fuel rods to dispose of liquefied waste through a basic glass process which they called an obsidian vitrification. The U.S. gave them the technology 30-40 years ago that now allows them to produce nearly 80 percent of their power with nuclear energy. Mr. Peters agreed. He explained that the French, by national policy, reprocess the waste; U.S. policy has been not to reprocess or recycle waste but to directly dispose of our material. It is a policy issue.

Senator Hill thanked Mr. Peters for appearing before the Committee and for being the Director of the INL. He stated that almost all funding for INL comes from the federal government. He asked about the relationship with Battelle Energy Alliance (Battelle) and asked Mr. Peters to explain the process and the relationship with the federal government. Mr. Peters stated the INL small reactor modulator (SMR) program started as a result of the Deely research program (1990's) and was a collaboration between INL and Oregon State University; they currently partner with UAMPS and ultimately, with the Department of Energy (DOE). Mr. Peters described the intricacies of these relationships.

Relating to contracting, INL has three separate projects with three separate contractors: the Navy Reactor facility is managed by a federal contractor with the federal government; the legacy or cleanup is managed by Fluor Idaho; and the research mission is managed by Battelle. There are no lifetime contracts, each must be renegotiated at expiration.
Vice Chairman Harris stated that Idaho Falls and Logan, Utah are investigating SMRs. He asked if other cities in the U.S. are considering this program. Mr. Peters deferred that question until the UAMPS presentation.

PRESENTATION: Douglas Hunter, CEO and General Manager of Utah Associated Municipal Power Systems (UAMPS) in Salt Lake City, Utah, explained they are a joint action, project based agency that incorporates 46 different utilities in 6 western states. The members, who are municipals and cooperatives, use UAMPS as a template to develop projects. They are involved with coal, wind, hydro, natural gas and a number of other different energy products. Today will be an update on their carbon free project which, in answer to Vice Chairman Harris’ question, there are 30 different utilities that have entered into this agreement. They are working on additional memberships. Mr. Hunter explained in detail the capacity of each unit, the range of uses for these modules, and where they are in the research and implementation process. The expected commercial operation date is 2026.

Mr. Hunter outlined how many jobs this project will create, where those jobs will be located, and who they are working with to obtain skilled and trained workers. He also explained they are trying to avoid government regulation of the utility business by creating something that does not leave a carbon imprint. One concern is the current instability of the grid. When energy is in high production, too much power is generated and when energy is at a low, not enough is generated. With the SMRs, large power outages can be avoided and power can be restored, thus maintaining reliability for critical infrastructure; this operates on a regional basis.

DISCUSSION: Senator Anthon stated his appreciation for their leadership in innovation and providing solutions for small communities. He asked Mr. Hunter how they were approaching the issue of Idaho Power’s excess power and how the closing of Intermountain Power plants out of Delta will affect the overall production. Mr. Hunter responded there are a number of facilities going off line in the near future in Utah, California, New Mexico, and Arizona; they are preparing for a potential shortage of generation. Most of UAMPS air subscription is based on replacement and not on load growth.

Vice Chairman Harris asked if UAMPS had customers or members that are required to have a portion of their portfolio made up of clean or green power. Mr. Hunter answered in the affirmative and indicated their California members are all under current restrictions. Others, such as Utah, have a goal but it is not a mandate. Mr. Hunter stated that he has a market-based concept to try to avoid regulation by showing people they can be trusted. Idaho and Wyoming do not have renewable portfolio standards.

Senator Souza asked if there was any role that would encompass North Idaho in this plan since they are primarily hydro. Mr. Hunter assured Senator Souza that the cooperatives and municipals in the northwest are engaged in the discussion. The Bonneville Power Administration (BPA) contracts expire in 2028 and those contracts are being renegotiated. Mr. Hunter stated he anticipates that northern Idaho, as well as other Idaho cooperatives and municipals, will eventually join.

Senator Stennett asked Mr. Hunter how fair it would be to avoid regulations; would they be held to a similar standard or would UAMPS be held to a different standard? Mr. Hunter answered that they did not want special treatment. Currently, their generation falls under the Clean Water Act and the Clean Air Act along with other state regulations. Those are very expensive regulations. UAMPS is not trying to avoid those regulations. They are trying to associate with the Nuclear Regulatory Association which has its own set of regulations that
are very tough, but would work better rather than regulations that relate to carbon. Mr. Hunter stated that corporate and personal responsibility is a priority in order to avoid regulation. The electric industry did that in the 1960s.

Senator Stennett asked Mr. Hunter how the waste product would be managed given industry allowances were made. Mr. Hunter replied that he has heard that question many times at the more than 100 public hearings they have held. The difference is that the regulation requires them to look at every molecule. They are aware of every molecule of waste from these projects. That waste will be on site until there is a permanent repository to move it to. The Department of Energy does not become responsible until it is in a dry cast. UAMPS four acres will accommodate 60 years of by-product storage and UAMPS will monitor that product. He also noted that it could be recycled but the U.S. does not recycle. From a social point of view, it is more responsible to hold the waste yourself rather than dumping it and expecting society to pay for it.

Senator Stennett asked what the size of these smaller reactors would be. Mr. Hunter said the reactors are located on 35 acres of land and produce 720 megawatts of power; the reactors are 76 feet tall, 15 feet in diameter, they are below grade, and sit in a pool of water. They are built in the factory and hauled to the site. Modules will be added as needed.

ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 9:40 a.m.

________________________________________
Senator Lodge
Chair

________________________________________
Twyla Melton
Secretary
Idaho National Laboratory

Presentation to Idaho Legislature

Mark Peters
Director, Idaho National Laboratory

January 22, 2019
Idaho’s National Laboratory

- TREAT restart
- 70th Anniversary
- New Faces
- National Reactor Innovation Center

Marianne Walck – Deputy Laboratory Director for Science and Technology and Chief Research Officer

Rita Baranwal – Nominated for U.S. Department of Energy’s Assistant Secretary for Nuclear Energy

Leah Guzowski – Industry Engagement

IADHO NATIONAL LABORATORY
70th Anniversary

Congressional Record

Senate
RECOGNIZING THE TRANSIENT REACTOR TEST FACILITY RESTART

S. 3713. Senate bill to designate the Transient Reactor Test Facility as a national security research facility.

[Bill text]

[Signature]

Mike Crapo
United States Senator from Idaho

[Image of the Idaho National Laboratory facility]

[Image of the Transient Reactor Test Facility]

[Image of a group of people posing for a photo]

[Image of a certificate]

VTR VERSATILE TEST REACTOR

[Image of the VTR logo]
The Idaho National Laboratory Site – A Unique Capability for the Nation

**Geography**
- 890 square miles
- 1,350 miles of roads
- 21 miles of railroad lines
- 112 miles of electrical transmission and distribution lines

**Infrastructure / Mission**
- 4 reactors
- Nuclear and radiological facilities
- 2 spent fuel pools
- 400+ buildings
- 3 fire stations
- Mass transit system
- Explosive range
- Landfill
- Museum
- Significant security profile

4,430 Employees
FY18 Business Volume $1.1 B

...the Nation’s Nuclear Laboratory
The National Reactor Innovation Center (NRIC) at Idaho National Laboratory

- Authorized by the Nuclear Energy Innovation Capabilities Act of 2017
- Program to enable the testing and demonstration of reactor concepts to be proposed and funded, in whole or in part, by the private sector
- Enable physical validation of advanced nuclear reactor concepts
- Resolve technical uncertainty and increase practical knowledge relevant to safety, resilience, security, and functionality of advanced nuclear reactor concepts
- General research and development to improve nascent technologies
Nuclear Energy Test Bed
Enabling Microreactors and Small Modular Reactors

EBR-II dome being kept for microreactor development and testing
Integrate Energy Sources and Demands to Maximize Flexibility and Economic Performance While Ensuring Reliability and Resilience

**Today**
Electricity-only focus

**Future**
Integrated grid system that leverages contributions from nuclear fission beyond electricity sector

- Large Light Water Reactors
- Small Modular Reactors
- Advanced Reactors
- New Chemical Processes
- Clean Water
- Hydrogen for vehicles and industry
- Industry

Flexible generators, Advanced processes, Revolutionary design
Cybercore Integration Center and Collaborative Computing Center Status

Cybercore Integration Center
$44M, 80,000 Sq. ft., in construction, Est. completion by September 2019

Collaborative Computing Center
$47M, 67,000 Sq. ft., in construction, Est. completion by September 2019

“Collaboration efforts are ahead of the buildings’ completion”
Idaho’s Regional Optical Network – IRON

A strategic asset for Idaho enabling collaboration in education, research, government, healthcare and economic development. Helping Idaho cross the digital divide.

IRON is the digital fabric that holds INL and Idaho’s higher education together focused on workforce development.

IRON is working with INL, Idaho universities, and colleges to develop an educational ecosystem across Idaho.

INL is a participant, facilitator and advocate for IRON’s educational ecosystem.
CAES is a research, education, and innovation consortium focused on collaboration to solve regional energy challenges that have national impact.

**Vision:** Our vision is to create a better energy future through collaboration that inspires energy leadership, ignites technology innovation, and catalyzes global impact.

**Mission:** CAES is the collaboration that inspires innovation and impact by leveraging our collective capabilities to empower students, researchers, faculty, and industry to accelerate energy solutions.

**The CAES strategy emphasizes:**

- **Research:**
  - Faculty/researcher/student collaboration
  - Interconnected facilities and capabilities
  - Joint proposals, research hubs, centers of excellence
- **Education:**
  - Supplemental educational experiences
  - Joint certificates and degrees
  - Workforce development and training
- **Innovation:**
  - Startup ventures, entrepreneurialism
  - Tech accelerator districts
  - Industry partnerships and tech-to-market

CAES leverages shared resources:
- 8,000+ researchers, faculty, and staff
- 63,000+ students
- 1,100+ degrees and certificates
- $1.8B in annual research funding
Initiatives to Increase Talent Attraction and Engagement

- In FY18, Idaho National Laboratory’s K-12 STEM group led 125 mission-aligned STEM outreach activities, more than half of which reached underrepresented, first generation, rural or remote students.

- INL Team STEMazing volunteers work with schools and community based organizations to bring STEM opportunities into the community. Team STEMazing volunteers led more than 40 events, working with more than 509 teachers and 3,800 students.

- On behalf of Battelle Energy Alliance, INL awarded more than $302,000 in STEM grants to Idaho educators in FY 2018, with more than $223,000 supporting Idaho STEM Action Center’s mission of engineering innovative STEM opportunities for educators, students, communities and industry to build a competitive Idaho workforce and economy.
INL FY18 Economic Impact Summary

INL is the 6th largest private employer in Idaho – providing high-tech, high paying jobs

- Average base salary of an INL employee in FY18 was $97,893 annually
- INL directly employed 4,349 workers in Idaho
- INL spent nearly $148,332,000 with Idaho-based subcontractors
- BEA corporate office contributed more than $618,700 to charitable giving

Total Economic Impact
$2,058,545,000

INL Direct Spending
$1,089,177,000
Carbon Free Power Project
Update to
Senate State Affairs Committee & House Environment, Energy & Technology Committee

January 22 & 23, 2019

By
Douglas Hunter, CEO & General Manager, UAMPS
General Update

- Participation is at approximately 230 MW or four NPM.
  - UAMPS Participants 110 MW.
  - MOU Among US DOE, UAMPS, AND BEA.
    - NPM 1 & 2; JUMP and PPA.
  - FOAK risk reduction.
- ~390 MW of discussion.
  - UAMPS members.
  - WAPA & BPA transmission located utilities.
- ~100 MW still to be determined.
  - New interest.
General Update

• COD 2026
  • COLA submittal, License approval, FNTP & Construction.

• Anticipated on to grid cost $55 per MWh in today’s dollars.
  • Class four estimate.
  • DOE partnership.
  • Competitive with NGCC @ current natural gas prices.

• Contracting for engineering and operations.
  • Tennessee Valley Authority.
  • Owner’s Engineer.
  • Operation.
General Update

- Water usage study.
  - Wet, evaporative cooling of the steam cycle.
  - Dry, radiator cooling of the steam cycle.
  - Costs and impacts.
General Update

• Construction jobs.
  • Estimated 3,356 construction jobs (REDI Economic Impact Report, 2019)

• Operational jobs.
  • Estimated 1,600 and 2,000 direct jobs (REDI Economic Impact Report, 2019)

• Market solution to climate change.
  • No need for carbon fired generation.
  • No economic impact given a carbon tax.
General Update

• Integration with renewables and storage.
  • Multiple units.
  • Fuel
  • Over generation.

• Regional Electric Markets.
  • Low Local Marginal Price
  • Quick response

• Southeast Idaho reliability.
  • Regional microgrid.
  • First responder power.
General Update

• Thank you.

• Contact; doug@uamps.com
# AGENDA

**SENATE STATE AFFAIRS COMMITTEE**  
8:00 A.M.  
Room WW55  
Friday, January 25, 2019

<table>
<thead>
<tr>
<th>SUBJECT</th>
<th>DESCRIPTION</th>
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| **VOTE ON**  
**GUBERNATORIAL APPOINTMENT:** | THE GUBERNATORIAL APPOINTMENT OF Alex Adams as Administrator to the Division of Financial Management. | General Michael J. Garshak |
| **GUBERNATORIAL APPOINTMENT:** | THE GUBERNATORIAL RE-APPOINTMENT OF Brigadier General Michael J. Garshak as Adjutant General of the Idaho Military Division. | General Michael J. Garshak |
| **DOCKET NO.**  
**38-0501-1801**  
**PENDING RULE** | **IDAPA 38 – DEPARTMENT OF ADMINISTRATION**  
38.05.01 – Rules of the Division of Purchasing  
Docket No. 38-0501-1801. page 24 yellow/green tab | Sarah Hilderbrand,  
Administrator,  
Department of Purchasing,  
Department of Administration |
| **DOCKET NO.**  
**40-0101-1801**  
**PENDING RULE** | **IDAPA 40 - COMMISSION ON THE ARTS**  
40.01.01 – Rules of the Idaho Commission on the Arts  
Docket No. 40-0101-1801. page 36 yellow/green tab  
Operations of the Idaho Commission on the Arts | Michael Faison,  
Executive Director,  
Idaho Commission on the Arts |

*If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.*

**COMMITTEE MEMBERS**  
Chairman Lodge  
Vice Chairman Harris  
Sen Hill  
Sen Winder  
Sen Vick

**COMMITTEE SECRETARY**  
Twyla Melton  
Room: WW42  
Phone: 332-1326  
email: sstaf@senate.idaho.gov
MINUTES

SENATE STATE AFFAIRS COMMITTEE

DATE: Friday, January 25, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb
ABSENT/EXCUSED: None
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) meeting to order at 8:04 a.m.

VOTE ON GUBERNATORIAL APPOINTMENT: The Gubernatorial Appointment of Alex Adams as Administrator to the Division of Financial Management.

MOTION: Senator Hill moved to send the Gubernatorial appointment of Alex Adams as Administrator to the Division of Financial Management 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 APPOINTMENT: Gubernatorial Re-Appointment of Brigadier General Michael J. Garshak as Adjutant General of the Idaho Military Division.

Brigadier General Michael J. Garshak stated he was appointed in November of 2017 by Governor Otter and now by Governor Little. He has served in the Idaho National Guard (Guard) since 1993; prior to that, six years of active duty. The majority of his service has been in army aviation in the Guard, then Chief of Staff and currently Adjutant General.

Senator Hill asked about his challenges and experiences. General Garshak stated that the toughest part of his job was being in one place at a time. The first priority for the Guard is to maintain combat readiness as the combat reserve for the Army and the Air Force; a second responsibility is response to domestic disasters or emergencies anywhere in the State; and a third priority is building partnerships with all organizations that help the Guard maintain readiness.

Senator Winder asked if General Garshak was able to fill all available positions in the Air National Guard. He stated the Air National Guard recruitment requirements are 1,300 new recruits each year; the requirement is currently being exceeded and leading the nation at 102 percent. However, new requirements for the Army National Guard have increased to 3,300 new recruits and recruitment is currently at 91 percent. The Army National Guard is trending up but it is a challenge. General Garshak provided more details in what the Guard is doing in areas of recruitment, education, and training.

Chairwoman Lodge announced that voting would take place during the next meeting.

PASSED THE GAVEL: Chairwoman Lodge passed the gavel to Vice Chairman Harris.
**DISCUSSION:**

Senator Anthon asked what happens if contracts end and then the legislature makes that contract illegal. Ms. Hilderbrand said that would make the contract void as it violates either the Constitution or Idaho Code.

Senator Winder asked about the rulemaking process and what would happen if the status quo was maintained. Ms. Hilderbrand explained in detail how the negotiated rulemaking was conducted. Senator Winder asked if written notice could be provided to stakeholders or anyone of interest. Ms. Hilderbrand replied she did not send out individual notices but did send out a formal notice. Senator Winder stated that this legislative area could lead to potential future problems. Ms. Hilderbrand said the bulk of the legislation is a win-win and outlined why the rules are good. Senator Winder explained the issues regarding the rule in the past. Ms. Hilderbrand stated the rule outlined high level procedures and explained the process in more detail. She said that maintaining the integrity of the vetting process was paramount as was being open to working with industries.

Senator Souza and Ms. Hilderbrand discussed ways that members and interested parties could be informed.

**TESTIMONY:**

Kate Haas, Kestrel West, testified that only section 114.02.b addressed the process and highlighted problems with industry input in the negotiated rulemaking.

**MOTION:**

Senator Anthon moved to approve Docket No. 35-0501-1801 with the exception of section 114.02.b which was rejected. Senator Vick seconded the motion. The motion carried by voice vote.

**DOCKET NO.**

**IDAPA 40 - COMMISSION ON THE ARTS**


Michael Faison, Executive Director of the Idaho Commission on the Arts, stated that this rule adds folk and traditional arts to the list of artistic disciplines for which fellowships are awarded. This acknowledges the artistic excellence of individuals who maintain Idaho’s artistic traditions with equal stature alongside Idaho artists who create work in more recognized art disciplines. Further changes revise a matching requirement and update, clarify, and simplify grant
application terminology and procedures. Currently, there are restrictions on college and university grant recipients to use non-public funds when matching grants from the Commission; a restriction not placed on any other public or not-for-profit grant recipient. The remaining rule changes are needed to update terminology and process explanations. The changes are housekeeping items that do not affect the availability of grants.

Mr. Faison stated there was no fiscal impact to the General Fund, and no incorporation by reference. Negotiated rulemaking was not conducted.

**MOTION:** Senator Buckner-Webb moved to approve Docket No. 40-0101-1801. Chairwoman Lodge seconded the motion. The motion carried by voice vote.

**PASSED THE GAVEL:** Vice Chairman Harris passed the gavel back to Chairwoman Lodge.

**ADJOURNED:** There being no further business, Chairwoman Lodge adjourned the meeting at 8:55 a.m.

___________________________
Senator Lodge, Chair
Chair

___________________________
Twyla Melton, Secretary

___________________________
Assisted by Jon von Nieda
DIVISION OF PURCHASING PROPOSED RULE MODIFICATIONS
JANUARY 2019
DOCKET 38.0501.1801

IDAPA 38.05.01, THE RULES OF THE DIVISION OF PURCHASING
Proposed modifications with multiple vendors over the last 8 months.

DOP also shared an overview of the proposed modifications with vendors at its annual Vendor Outreach Day, held in November of 2018, and has discussed the

Transportation, DEQ and Fish & Game.

attended by multiple agencies, including Health and Welfare, Corrections,

input, and holding several meetings throughout the summer, which were

meeting notices on its website, distributing draft modifications to agencies for

Negotiated Rulemaking Process in May of 2018, publishing

additional flexibility within the State's procurement process.

During several of the last 5 legislative sessions, DOP has proposed Rule

in a new chapter of Idaho Code, Chapter 92, the State Procurement Act (2016).

Negotiated Rulemaking Process
SUMMARY OF PROPOSED MODIFICATIONS

- Housekeeping:
  - Definitions and clarifications

- Modernization:
  - Electronic recordkeeping
  - Electronic communications

- Increased Flexibility for Solution-Driven Procurements:
  - Expand the ability to Negotiate
    - Specifically as related to complex Information Technology procurements/complex service contracts

- Prohibited Terms Void:
  - Use IDAPA to address terms that violate state law in order to facilitate contract finalization specifically with regard to the use of Information Technology Resellers

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<tr>
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<th>Rule Section</th>
<th>Summary of Changes</th>
<th>Discussion</th>
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</thead>
<tbody>
<tr>
<td>28-29</td>
<td>.042.09 Exempt Purchases</td>
<td>Add two additional examples of property which “may” be exempt from competition, based on requests which have been made (and approved) under this section of IDAPA over the years.</td>
<td>Agencies may apply to the Administrator for an exemption from competition to acquire property for which it is determined to be “impractical, disadvantageous or unreasonable” to bid, under the circumstances. The list contains “examples” but is not exhaustive. Each request is evaluated on a case-by-case basis under the surrounding circumstances, recognizing that competition is the default. The first new subsection recognizes that under some circumstances, it “may” be appropriate to exempt from competition the purchase of ongoing maintenance, etc. of Information Technology which was originally acquired in compliance with applicable Purchasing Code/Rules; or to allow for a change in the manner of solution delivery with the same functionality (e.g. “on premise” to cloud), again, for a solution that was originally acquired in compliance with applicable Code/Rule. The second proposed subsection recognizes that it may be impractical, disadvantageous or unreasonable to go out to bid for items intended for direct resale (e.g. Idaho-themed gift shop items for sale to the public at the State Museum or one of our State Parks).</td>
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<tr>
<td>Discussion</td>
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<td>083 Requires that the Purchasing Authority classify proposals in accordance with 089.01. Prior to publication of notice as to how proposals will be classified in the solicitation, the proposal must be submitted under 'acceptability' for purposes of conducting proposals within the solicitation in order to establish acceptable proposal criteria.</td>
<td>Adds a subsection clarifying that the purchasing authority may establish acceptable proposal criteria.</td>
<td>089.01 Proposal Discussion with Individual Offers</td>
<td></td>
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<tr>
<td>Solution, pricing, terms, etc.</td>
<td>Other vendors intended to be bound by its determination of the submitting bid is determined at the time of bid submission if it is prepared in a manner that is responsive to the requirement for a significant bid. This revision would allow the Purchasing Authority to currently fail the failure to physically or electronically sign a bid.</td>
<td>074.03 Mistakes</td>
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<td>Solicitation closes (when bids are due), contains information about the date and time that a</td>
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<td>The revision clarifies the requirement that solicitations must</td>
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<td>be evaluated under 083. Ensuring a fair and level playing</td>
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<tr>
<td>31</td>
<td>.084.01 Negotiations</td>
<td>Adds a reference to negotiations pursuant to the proposed new solicitation type, “Invitation to Negotiate.”</td>
<td>A new solicitation type, an “Invitation to Negotiate (ITN)” is being proposed, which would allow for “Competitive Negotiations.” For consistency, a reference to negotiations under an ITN has been added to .084 “Negotiations.”</td>
</tr>
<tr>
<td>32</td>
<td>.084.03 Negotiations</td>
<td>Adds a reference to the possibility of concurrent negotiations.</td>
<td>The Invitation to Negotiate, a new solicitation type being proposed, contemplates the possibility of “Competitive Negotiations,” which may involve concurrent negotiations.</td>
</tr>
<tr>
<td>32</td>
<td>.084.04 Negotiations</td>
<td>Adds a reference to the traditional forms of procurement, for which (by Rule) negotiations are the last step in the procurement process; to distinguish the traditional negotiation process from the negotiations which would be conducted under an “Invitation to Negotiate,” if that proposed section is approved.</td>
<td>Negotiations would occur throughout the solicitation process under the newly proposed “Invitation to Negotiate” (as opposed to solely at the end of the procurement process under traditional procurement methods).</td>
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<tr>
<td>Discussion</td>
<td>Summary of Changes</td>
<td>Rule Section</td>
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<td>Ensure that the State is paying a fair and reasonable price. Increase the likelihood of successful implementations, and identify solutions that best fit the State’s needs. Ultimately, DOP expects this solicitation method to help proposals accordingly prior to award. Environment and business needs, and modify their method would allow bidders a much greater opportunity to understand the interests of the State’s technical objectives. This solicitation and the bidder’s prior to contract award. This solicitation negotiations with qualified bidders during the solicitation process. In an effort to more effectively refine negotiations with qualified bidders during the solicitation process, and allow the State to more readily complete its procurement processes while being a complex service. This new solicitation type is geared specifically toward</td>
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</table>

Negotiations would allow for comprehensive, an "invitation to negotiate" which allows for a new solicitation type. Adds a new paragraph to the rules. 

Negotiations

Currently, this language is included in the solicitation. Adding a subsection to make it clear that the purchasing authority has the ability to terminate any time, in the best interest of the State. Adding the impact on an agency’s business operation. The interest of ensuring the procurement process moves, and that the purchasing authority has the ability to terminate. By adding it to the rule, all factors are | | |

Page # Committee Affairs

House State
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| 34                                  | .114 Information Technology Resale | This new section addresses the common situation where resellers are required by an information technology owner (whose product the reseller is offering to the State) to pass through the technology owner’s licensing, sale, or use terms, some of which may violate State law. | The State often finds itself in the situation where a reseller must include licensing or other terms in its contract with the State, when selling a manufacturer’s product that the reseller does not own. This provision would provide state agency purchasers with the ability to move forward with a purchase, without negotiating prohibited terms (e.g. waiving the sovereign immunity of the State, terms subjecting the state of Idaho to the jurisdiction of another state’s courts, etc.) by designating “prohibited terms” (as currently outlined in Section 112 of the Rules) as void, if included in the resale agreement.  
This section also addresses the application of terms under “click-through” or similar acceptance methods, making it clear that acceptance of terms through these methodologies is dependent on written Administrator approval (and the requirements of Idaho Code section 67-9212, which requires that contracts be in writing and signed by the contracting parties).  
The proposed rule would facilitate contract finalization when a reseller is bound by an IT owner’s terms and conditions; and help protect the state from terms that violate Idaho law. |
Valerie.Bollinger@adm.idaho.gov / 208-332-1631

Valerie Bollinger, J.D., CPB - State Purchasing Manager

Sarah.Hilbertbrand@adm.idaho.gov / 208-332-1612
Sarah Hilbertbrand, J.D., CPPO - Administrator

208-332-7465

purchasing@adm.idaho.gov

HTTPS://purchasing.idaho.gov

QUESTIONS
AGENDA
SENATE STATE AFFAIRS COMMITTEE
8:00 A.M.
Room WW55
Wednesday, January 30, 2019

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<td></td>
<td>THE GUBERNATORIAL RE-APPOINTMENT of Judy Bicknell Taylor as Administrator of the Idaho Commission on Aging.</td>
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<tr>
<td>HCR 0002</td>
<td>STATING FINDINGS OF THE LEGISLATURE Honoring Director Eddie Yen on his 30th anniversary as Idaho's Asia Trade Representative.</td>
<td>Representative James Holtzclaw</td>
</tr>
<tr>
<td>RS26640</td>
<td>RELATING TO ALCOHOL TO REVISE provisions related to administration.</td>
<td>Senator Jim Rice</td>
</tr>
</tbody>
</table>

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.
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.


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.


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 distillent 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.


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**.
RS 26640  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 stand 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
## AGENDA

### SENATE STATE AFFAIRS COMMITTEE

8:00 A.M.
Room WW55
Friday, February 01, 2019

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<tbody>
<tr>
<td>VOTE ON GOVERNATORIAL RE-APPOINTMENTS:</td>
<td>GOVERNATORIAL RE-APPOINTMENT of John Chatburn as Administrator to the Office of Energy and Mineral Resources.</td>
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<td></td>
<td>THE GUBERNATORIAL RE-APPOINTMENT of Jeffrey R. Anderson as Director to the Idaho State Liquor Division.</td>
<td>Jeffrey Anderson, Director, Idaho State Liquor Division.</td>
</tr>
<tr>
<td>RS26704</td>
<td>A JOINT RESOLUTION to propose amendments to the Idaho Constitution relating to the rights of crime victims.</td>
<td>Senator Lakey</td>
</tr>
<tr>
<td>RS26660</td>
<td>RELATING TO ABORTION to update the Idaho Partial-Birth Abortion law to be consistent with Federal law.</td>
<td>Senator Den Hartog</td>
</tr>
<tr>
<td>S 1020</td>
<td>RELATING TO ELECTIONS to revise a provision when the Supreme Court must render a decision.</td>
<td>Jason Slade Spillman, Legal Counsel, Idaho Supreme Court</td>
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<tr>
<td>APPROVAL OF MINUTES:</td>
<td>The approval of the minutes for January 16, 2019</td>
<td>Senator Vick and Senator Stennett</td>
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</table>

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

### COMMITTEE MEMBERS

Chairman Lodge  
Vice Chairman Harris  
Sen Hill  
Sen Winder  
Sen Vick  
Sen Anthon  
Sen Souza  
Sen Stennett  
Sen Buckner-Webb

### COMMITTEE SECRETARY

Twyla Melton  
Room: WW42  
Phone: 332-1326  
email: staf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Friday, February 01, 2019
TIME: 8:00 A.M.
PLACE: Room WW55

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

ABSENT/EXCUSED: None

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 convened the Senate State Affairs Committee (Committee) at 8 a.m.

VOTE ON GOVERNATORIAL RE-APPOINTMENT: VOTE ON THE GUBERNATORIAL RE-APPOINTMENT OF JOHN CHATBURN as Administrator to the Office of Energy and Mineral Resources.

MOTION: Senator Anthon moved to send the Gubernatorial re-appointment of John Chatburn as the Administrator of the Office of Energy and Mineral Resources to the floor with the recommendation that he be confirmed by the Senate. Vice Chairman Harris seconded the motion. The motion carried by voice vote.

VOTE ON GOVERNATORIAL RE-APPOINTMENT: VOTE ON THE GUBERNATORIAL RE-APPOINTMENT OF JUDY BICKNELL TAYLOR as Administrator of the Idaho Commission on Aging.

MOTION: Senator Souza moved to send the Gubernatorial re-appointment of Judy Bicknell Taylor as Administrator of the Idaho Commission on Aging to the floor with the recommendation that she be confirmed by the Senate. Vice Chairman Harris seconded the motion. The motion carried by voice vote.


Jeffrey Anderson, Director of the Idaho Lottery, fielded questions concerning his occupation and the size of his staff. He discussed their relationship to reservation gaming councils.

GOVERNATORIAL RE-APPOINTMENT: THE RE-APPOINTMENT OF JEFFREY R. ANDERSON as Director to the Idaho State Liquor Division.

Jeffrey Anderson, Director of the Idaho State Liquor Division (Division), explained his role as the Director and the Division's mission. The Division is the sole importer, wholesaler, and retailer of distilled spirits in Idaho. Mr. Anderson fielded questions concerning the current legislation regarding liquor licenses. He described their standard mark-up formula for purchasing spirits and informed the Committee that Idaho's local distilleries created an association to promote local products and grow their businesses responsibly.

RS 26704 A JOINT RESOLUTION to propose amendments to the Idaho Constitution relating to the rights of crime victims.

MOTION: Senator Winder moved to send RS 26704 to print. Senator Anthon seconded the motion. The motion carried by voice vote.
RS 26660 RELATING TO ABORTION to update the Idaho Partial-Birth Abortion law to be consistent with Federal law.

MOTION: Senator Winder moved to send RS 26660 to print. Senator Anthon seconded the motion. The motion carried by voice vote.

S 1020 RELATING TO ELECTIONS to revise a provision when the Supreme Court must render a decision.

DISCUSSION: Jason Slade Spillman, legal counsel, Idaho Supreme Court, said the Idaho Constitution requires the court system to identify and report defects in the law as they are found throughout the year. S 1020 is a proposed fix for an identified defect, Title 34 of Idaho Code. The rule seeks to amend one of the timing triggers contained in the statute and attempts to align the appellate process with the trial court process in the primary election contest appeals.

Senator Winder asked if this rule could potentially open a loophole to the election process in regard to scheduling oral arguments and if the rule created too wide of an option for the judges. Mr. Spillman replied that he fully understood the concern but did not foresee that occurring. The statute mandates that it should be given priority and the courts routinely recognize these cases and expedite their resolution. He summarized that the rule will align the trial court with the Supreme Court and allow the opportunity for briefing.

Mr. Spillman fielded questions regarding how the deadline might affect the election contest or appeal process. Senator Winder asked that the Committee review the entire section of code dealing with S 1020 and for further information on the process. Senator Anthon asked the Committee to consider the unpredictability of district court actions and their ability to distort the timeline.

MOTION: Senator Winder moved to send S 1020 to the floor with a do pass recommendation. Senator Anthon seconded the motion. The motion carried by voice vote.

APPROVAL OF MINUTES: Senator Sten nett moved to approve the Minutes of January 16, 2019. Senator Vick seconded the motion. The motion carried by voice vote.

ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 8:55 a.m.

___________________________ ___________________________
Senator Lodge, Chair Twyla Melton, Secretary

___________________________
Bryce DeLay
Assistant to the Secretary
AGENDA
SENATE STATE AFFAIRS COMMITTEE
8:00 A.M.
Room WW55
Wednesday, February 06, 2019

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<tr>
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<td>The Gubernatorial Re-appointment of Joe McNeal to the Idaho Commission on Human Rights.</td>
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<tr>
<td>RS26482C1</td>
<td>STATING FINDINGS OF THE LEGISLATURE to honor the American Legion in its centennial year.</td>
<td>Senator Cheatham</td>
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<tr>
<td>H 42</td>
<td>RELATING TO LABOR NEGOTIATIONS to provide that government labor negotiations adhere to open meeting laws.</td>
<td>Representative Harris</td>
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<td>H 72</td>
<td>RELATING TO FINANCIAL MANAGEMENT repealing a section of Idaho Code to remove the Financial Management Technical Development Committee which has been inactive.</td>
<td>Alex Adams, Division of Financial Management</td>
</tr>
<tr>
<td>HJM 3</td>
<td>A JOINT MEMORIAL to request the Federal Communications Commission to investigate and take steps to end the illegal harassment and disruption of our phone communications.</td>
<td>Senator Cheatham</td>
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If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS
Chairman Lodge
Vice Chairman Harris
Sen Hill
Sen Winder
Sen Vick

COMMITTEE SECRETARY
Twyla Melton
Room: WW42
Phone: 332-1326
e-mail: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Wednesday, February 06, 2019
TIME: 8:00 A.M.
PLACE: Room WW55

MEMBERS PRESENT: Chairman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb

ABSENT/EXCUSED: None

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 8:04 a.m.

VOTE ON GUBERNATORIAL RE-APPOINTMENTS: Vote on the Gubernatorial Re-appointment of Jeffrey Anderson as Director of the Idaho Lottery and Vote on the Gubernatorial Re-appointment of Jeffrey Anderson as Director of the Idaho State Liquor Division.

MOTION: Vice Chairman Harris moved to send the Gubernatorial re-appointment of Jeffrey Anderson as Director of the Idaho Lottery to the floor with the recommendation that he be confirmed by the Senate. Senator Souza seconded the motion. The motion passed by voice vote.

MOTION: Senator Stennett moved to send the Gubernatorial re-appointment of Jeffrey Anderson as Director of the Idaho State Liquor Division to the floor with the recommendation that he be confirmed by the Senate. Senator Souza seconded the motion. The motion passed by voice vote.


Mr. McNeal stated he came to Mountain Home Air Force Base in 1975, and has served as Mayor of Mountain Home, on the Mountain Home City Council, and in the Idaho Legislature. He is now retired, except for his current appointment by the Governor to the ICHR.

Senator Buckner-Webb commented that Mr. McNeal had been on the ICHR for a long time. She asked him what opportunities he sees as missing at the ICHR. Mr. McNeal said the only thing ICHR is missing is subpoena power, which would greatly help the staff. He deferred this question to Dr. Benjamine Earwicker, PHD, and Director of ICHR, for further clarification. Dr. Earwicker stated subpoena power would enable ICHR to be substantially equivalent to federal agencies under the housing law. This would reduce the federal footprint and give ICHR the authority to enforce certain contract actions.

Mr. McNeal stated that he wanted to thank Governor Otter for re-appointing him to this position. He commented that he takes the position seriously and it is one of the most important commissions the state has.

The Gubernatorial Re-appointment of Kevin Settles to the Idaho Commission on Human Rights (ICHR).
Mr. Settles stated he was with Bardenay Restaurants and Distilleries located in Boise, Eagle, and Coeur d' Alene. Through the years he has always been politically active and involved in issues related to his industry and ultimately, was appointed to the ICHR. This will be his third term on the ICHR. He stated it was a real honor to be able to represent the business community. The human rights issues that come before the ICHR are very complex and it has been a great learning experience, which he feels has allowed him to become a better employer.

Chairwoman Lodge asked if there was anything outstanding, new, or different he had seen as an opportunity for the ICHR. Mr. Settles said he has been impressed with the way new commissioners see things from different perspectives. There is great diversity and he expects it to continue to develop as the commission looks for opportunities to educate employers in the complexities of the law. There are opportunities for ICHR to be more effective, such as with the ability to subpoena. He believes employers and the ICHR are always changing for the better.

Chairwoman Lodge thanked Mr. McNeal and Mr. Settles for their service and said they would be voting at the next meeting.

RS 26482C1

STATING FINDINGS OF THE LEGISLATURE and honoring the American Legion in its centennial year.

Senator Don Cheatham, District 3, explained that RS 26482C1 honors and commemorates the upcoming 100th anniversary of the American Legion, the largest Veterans' service organization in the United States. This patriotic Veterans' service organization was founded by American personnel in France. He stated there are more than two million members nationally, with approximately 10,000 members in Idaho. This organization has done numerous things to support service members. The American Legion is also dedicated to many programs benefiting youths.

MOTION: Senator Winder moved to send RS 26482C1 to print. Senator Anthon seconded the motion. The motion carried by voice vote.

H 42

RELATING TO LABOR NEGOTIATIONS to provide that government labor negotiations adhere to open meeting laws.

Representative Steve Harris, from District 21, stated in 2013, the Idaho Education Association (IEA) brought legislation to require that all labor negotiations would occur in open session; this bill replaces the current sunset clause. Representative Harris said the Association of Idaho Cities (AIC), the Idaho State Fire Commissioners' Association (ISFCA), and the Fraternal Order of Police (FOP) are in favor of removing the sunset clause.

DISCUSSION: Senator Winder said, according to a letter from the ISFCA (attachment 1), they are not supportive of this bill. He asked Representative Harris if he would address ISFCA's concerns. Representative Harris said ISFCA is in favor of removing the sunset clause, but they have an issue with lines 23 and 24 which state "all decisions regarding a labor contract offer or counteroffers are made in open session". Representative Harris said, from his point of view, this language just restates that labor negotiations need to occur in open session.

Senator Stennett asked why the additional language was added on lines 23-24 when it had not been agreed upon. Representative Harris referred to the edits on lines 17-19, which are important new edits. Section (a) falls under the area of holding executive sessions as seen in line 20. These two lines are not important and are redundant.
Senator Souza stated that ines 22-24 simply restate what is required under the open meeting law; executive sessions are for discussion and deliberation and any decisions are made in public. If this was all understood in the language of the original bill, why are they thinking this is a change, and were any other groups voicing similar concerns. Representative Harris explained that he became aware of these concerns on the day they presented H 42 on the House floor. He reviewed their concerns on three separate occasions.

Senator Anthon asked if it wouldn't be a violation of the open meeting laws if a decision regarding a labor contract was not made in an open session. If a decision was made that was contrary to what is written into this statute, that would be a violation of the open meeting laws. Representative Harris agreed, this is a reiteration to make sure that was clear. The open meeting law did not apply to labor negotiations in the past. Senator Anthon said what is being described is covered under the open meeting laws, there is an exemption for labor negotiations. However, he was not sure whether or not, at the conclusion of labor negotiations, there is a requirement under open meeting law, to come out of those negotiations and have a vote in the open as to the decision made during those labor negotiations.

Senator Souza asked if this section of code is specific only to public labor negotiations for publicly connected, tax payer funded groups, or would this apply to a private business who has a union or some sort of representative group for their employees. Representative Harris responded that this is for public labor negotiations only. H 42 specifically extends it out to fire and police.

Gary Rohwer, Fire Commissioner, Parma Rural Fire Protection District and Director at Large, Idaho Fire Commissioners Association (IFCA), addressed H 42 and their concerns. He stated the current statute along with lifting the sunshine clause will continue to work well for them for a long time. They did not see the need for any changes. Their concern is with lines 22-24. Mr. Rohwer explained in greater detail about how it would affect wages, salaries, and current labor laws related to the employment of firefighters.

Senator Winder said that this bill doesn't say that disclosure of discussions occurring in executive session has to be made. It only says the decision has to be made in an open meeting. Mr. Rohwer read lines 23-24, "all decisions . . . are made in open session". Senator Winder said decisions cannot be made in executive session in current law. Mr. Rohwer stated they have no difficulty with the ability to be in executive sessions and determine what action to take as a concept then make the decision in an open meeting as a bargaining position. The problem is with "all decisions".

Senator Souza asked if Mr. Rohwer thought it would help to add into the new language "to provide all final decisions" be made by the ISFC. Mr. Rohwer responded that he believed it would. Senator Souza asked if the union has to follow this same protocol. Mr. Rohwer responded in the affirmative.

Senator Souza restated her question to Rob Shoplock. Rob Shoplock, representative for the Professional Firefighters of Idaho (PFFI), responded that the protocol is the same for both sides. Mr. Shoplock clarified that when the IFCA and the union negotiator caucus, they follow the same rules as stated in this statute.

Senator Anthon asked if the open meeting laws pertain only to public government bodies, not to non-profits or unions. Mr. Shoplock replied in the affirmative. Senator Anthon asked if, in this particular statute, it is about open negotiations with a governing body. Mr. Shoplock responded in the affirmative and explained the process in detail.
Senator Anthon stated there is no requirement for the union to make some of their decisions about their own negotiations, their counteroffers, or what they are going to decide to bring to the table at the open negotiation. He asked if this was not required to be done in public. Mr. Shoplock replied no, the proposals from the labor group would have to be made in public. He said they can tentatively agree on those decisions, but they cannot be made without the body ratifying them later.

Senator Stennett stated that her understanding was that both Mr. Rohwer and Mr. Shoplock were concerned about the language in the bill. She asked what language concerned them. Mr. Shoplock responded the PFFI does not have any objections or problems with this legislation and they think it does what it needs to do. The labor group and management could come to a tentative agreement, and in his opinion, they would go to executive session or would caucus on the tentative agreement. The PFFI likes the way this bill restates what happens in open meetings. Senator Stennett asked if this would be a change to how they currently operate. Mr. Shoplock replied that is the way they are operating now.

**MOTION:** Senator Vick moved to send H 42 to the 14th Order of Business for possible amendment. Vice Chairman Harris seconded the motion.

Senator Vick agreed the redundant language is problematic and could have unintended consequences. He said it is better to remove that language and leave the rest of the language in place, and remove the sunset clause.

Senator Anthon stated he supports the motion, and feels the amendment will bring unity to what is trying to be accomplished.

Senator Winder stated there has not been a substantive argument that there is something wrong with H 42, the intent is very specific and, redundant or not, it brings clarity to the process. He would vote to send this bill to the floor as is.

The motion carried by voice vote. Senator Winder was recorded as voting nay.

**H 72**

**RELATING TO FINANCIAL MANAGEMENT** repealing a section of Idaho Code to remove the inactive Financial Management Technical Development Committee.

Alex Adams, Administrator, Division of Financial Management (DFM), explained that H 72 would eliminate the Financial Management Technical Development Committee (FMTDC). Mr. Adams said he was reviewing the statutory responsibilities of his position and found that the FMTDC had not met in 14 years, and possibly had never met. After investigating this committee and what it was created for, he was told by Paul Headlee, Legislative Services Office, that a statute passed in 1995 created the FMTDC. He and Mr. Headlee decided the most appropriate course forward would be to eliminate this committee. H 72 eliminates a committee that has not met since its inception and any duties it might have performed are being accomplished in other parts of the statutes.

**MOTION:** Vice Chairman Harris moved to send H 72 to the floor with a do pass recommendation. Senator Stennett seconded the motion. The motion carried by voice vote.

**HJM 3**

**A JOINT MEMORIAL** to request the Federal Communications Commission to investigate and take steps to end the illegal harassment and disruption of our phone communications.
Senator Cheatham stated this memorial is a bipartisan effort between he and Representative John Gannon. He said it is not only a memorial, it also shows our support for Idaho Congressional leaders. This bill addresses scam phone calls. Nuisance calls have become a national issue. Part of the problem lies offshore and we need help from the Federal Communications Commission and other available federal resources to solve this problem. Once this issue is solved we need to address the ability to withstand repeated attacks.

Chairwoman Lodge gave examples of incidents that happened with family and others. Senator Cheatham also related an incident that occurred to him and said cyber security needs to become involved. Any wireless technology, computers, home phones, and cell phones can be affected by scams and other types of cyber theft.

MOTION: Senator Souza moved to send HJM 3 to the floor with a do pass recommendation. Senator Buckner-Webb seconded the motion. The motion carried by voice vote.

Senator Anthon thanked Commissioner Wayne Shank from Minidoka County for being at the meeting. Senator Stennett thanked Commissioner Roy Hubert from Lincoln County for attending the meeting.

ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 9:01 a.m.

___________________________  ______________________________
Senator Lodge, Chair            Twyla Melton, Secretary

___________________________
Assisted by Carol Waldrip
February 5, 2019

Chairman and Members of the Senate State Affairs Committee VIA Email

Re: House Bill 42- Labor Negotiations

Dear Senators:

On behalf of the Idaho State Fire Commissioners’ Association (ISFCA), which represents the elected fire district commissioners within Idaho, ISFCA does not support HB42 as currently proposed. ISFCA strongly supports the requirement that collective bargaining take place in open meetings. We agree that it is in the best interest of the public to have a high degree of transparency relative to negotiations with labor groups and our governing boards, and the conduct of public business in general. For that reason, ISFCA supports lifting the sunset clause on the current statute, 74-206A. However, the additional changes to 74-206A proposed in HB42 create a disservice to the governing boards and ISFCA is strongly opposed to these changes.

The addition of “provided that all decisions regarding a labor contract offer or counteroffers are made in open session” represents a disadvantage to tax payers and their duly elected governmental boards when negotiating with the unions. In particular, bargaining agents will be accused of “bad faith” negotiations if they propose anything other than what was explicitly authorized by the fire district board or city council during a negotiation. This will dramatically reduce the ability of negotiators who work on behalf of the tax payers to negotiate the best possible agreement.

Furthermore, governmental entities will be limited to only what is explicitly approved, the likely effect of this legislation will be to force direct negotiations with a governing board while allowing professional union negotiators at the table. This is a union advantage.

The current statute, 74-206A, is transparent on both sides and the playing field is level. All negotiations take place in open meetings, and all approval of collective bargaining agreements and final decisions are made by governing boards in open meetings.

House Bill 42 would give an unfair bargaining advantage to the union at a cost to the tax payers, at worst, and simply cause a headache for public boards at best.

If 74-206A isn’t broken, don’t change it.

Sincerely,

David “Rudy” Rudebaugh
ISFCA President

922 S. Red Sand Ave., Kuna, ID 83634    Phone: 208-275-8870    Fax: 208-922-1700
Email: office@isfca.org    Website: www.isfca.org

“To inform, educate, represent, lead and serve the fire districts of Idaho in the preservation and protection of life and property.”
AGENDA
SENATE STATE AFFAIRS COMMITTEE
8:00 A.M.
Room WW55
Friday, February 08, 2019

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<tr>
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<td>RS26783</td>
<td>RELATING TO ALCOHOL to amend Idaho Code, Section 23-313 and add a new Section 23-314 to authorize sample tastings of liquor in certain instances.</td>
<td>Kate Haas, Kestrel West</td>
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<td>S 1049</td>
<td>RELATING TO ABORTION to update the Idaho Partial-Birth Abortion ban so it is consistent with the Federal law.</td>
<td>Senator Den Hartog</td>
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<tr>
<td>SJR 101</td>
<td>PROPOSING AN AMENDMENT to Section 22, Article I, of the Constitution of the State of Idaho, Relating to Rights of Crime Victims.</td>
<td>Senator Lakey</td>
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<tr>
<td>MINUTES APPROVAL:</td>
<td>Approval of minutes for January 18, 2019.</td>
<td>Vice Chairman Harris and Senator Buckner-Webb</td>
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If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS
Chairman Lodge
Vice Chairman Harris
Sen Hill
Sen Winder
Sen Vick
Sen Anthon
Sen Souza
Sen Stennett
Sen Buckner-Webb

COMMITTEE SECRETARY
Twyla Melton
Room: WW42
Phone: 332-1326
e-mail: sstaf@senate.idaho.gov
**MINUTES**  
**SENATE STATE AFFAIRS COMMITTEE**

**DATE:**  
Friday, February 08, 2019

**TIME:**  
8:00 A.M.

**PLACE:**  
Room WW55

**MEMBERS PRESENT:**  
Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb

**ABSENT/EXCUSED:**  
None

**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 8:02 a.m.

**VOTE ON GUBERNATORIAL RE-APPOINTMENTS:**  
Vote on the Gubernatorial Re-appointment of Joe McNeal to the Idaho Commission on Human Rights.

**MOTION:**  
Senator Souza moved to send the Gubernatorial re-appointment of Joe McNeal to the Idaho Commission on Human Rights to the floor with the recommendation that he be confirmed by the Senate. **Senator Stennett** seconded the motion. The motion carried by **voice vote**.

**MOTION:**  
Senator Winder moved to send the Gubernatorial re-appointment of Keven Settles to the Idaho Commission on Human Rights to the floor with the recommendation that he be confirmed by the Senate. **Senator Vick** seconded the motion. The motion carried by **voice vote**.

**RS 26783**  
**RELATING TO ALCOHOL** to amend Idaho Code, Section 23-313, and add a new Section 23-314 to authorize sample tasting of liquor in certain instances.

Kate Haas, Kestrel West, spoke on behalf of the Distilled Spirits Council.  
Ms. Haas stated that RS 26783 amends Idaho Code § 23-313 and adds Idaho Code § 23-314 to authorize sample tasting of liquor in certain instances. The amendment allows for the sampling of liquor, wine, and beer inside of a liquor store. Provisions are included to prevent underage drinking and to limit the sample size to one quarter ounce per sample and a maximum of three samples within a 24-hour period. The company representative would be pouring and all samples must be pre-approved.

Senator Anthon supported the motion to print the RS for a hearing. He addressed the potential liabilities for the State and urged the Committee to show temperance.

**MOTION:**  
Senator Vick moved to send RS 26783 to print. **Senator Souza** seconded the motion. The motion carried by **voice vote**.

**S 1049**  
**RELATING TO ABORTION** to update the Idaho Partial-Birth Abortion ban so it is consistent with the Federal law.

Senator Den Hartog, District 22, stated S 1049 relates to existing Idaho law enacted in 2003 prohibiting partial abortions in the State. She mentioned that
this law has currently had multiple court challenges and is upheld by the Supreme Court. **Senator Den Hartog** gave a brief history of the court challenges, and discussed the 2003 law. While the law has a clear description, she suggested that it might not be enforceable in the state without the changes listed in the bill. The bill identifies exceptions for illness and physical injury, and clarifies who has the right to speak in civil court.

**Senator Hill** asked how it would affect caesarian sections. **Senator Den Hartog** stated that she doesn't think there is an effect.

**TESTIMONY:**

**Kerry Uhlenkott,** Right to Life of Idaho, asked for support of **S 1049.** After referencing the 2007 Supreme Court decision to uphold the illegality of partial birth abortions, she mentioned that a large percentage of healthy mothers have healthy babies. She further referenced doctors who have stated that there is no need for third trimester abortions. She further stated that if the amendments are passed this session, Idaho will join 12 other states that have similar policies.

**Senator Hill** asked if this also applies to save the life of the mother. **Ms. Uhlenkott** stressed that even though it does apply in certain medical emergencies, most medical people say that situation doesn't apply to the majority of cases. **Senator Hill** asked whether a vote in favor or against will change that. **Ms. Uhlenkott** did not have an answer.

**Senator Stennett** stated that partial birth abortions have not been legal for 10 years, as Ms. Uhlenkott had previously stated. She said cases regarding mothers’ fetuses that are not viable are difficult since those are sometimes late term. **Senator Stennett** stated there is never a reason for a woman to make those difficult decisions. **Ms. Uhlenkott** replied most obstetrician-gynecologist (OBGYN) physicians would deliver the baby, and that there is never a reason to kill a baby at any time.

**Christain Welf,** spoke on behalf of the Catholic Diocese of Boise (Catholic Diocese). He voiced their support of **S 1049.** The process is never medically necessary. Partial birth abortions are not good medicine; the Catholic Diocese supports matching the Federal language.

**John Pauton,** Family Policy Alliance of Idaho, voiced support of this bill. He stated that it is a common sense policy and protects the child.

**Senator Den Hartog** concluded her discussion of **S 1049**

**MOTION:**

**Senator Hill** moved to send **S 1049** to the floor with a **do pass** recommendation. **Senator Anthon** seconded the motion. The motion carried by **voice vote.** **Senator Stennett** and **Senator Buckner-Webb** requested to be recorded as voting nay.

**SJR 101**

**PROPOSING AN AMENDMENT** to Section 22, Article I, of the Constitution of the State of Idaho (Constitution), Relating to Rights of Crime Victims.

**Senator Todd Lakey,** District 12, gave a brief history of **SJR 101.** He outlined several provisions in **SJR 101** including: reasonable & timely notice; notice of the escape of a perpetrator; opportunity to be present at all open proceedings, and the right to be heard. He further explained that all of these rights were based on the victim's choice. **SJR 101** has been a collaborative effort between legislators, prosecutors, law enforcement, victims rights advocates and legal experts. The courts have not taken a position on this issue but have been at the table and their input has been considered and incorporated into this resolution. **SJR 101** is a result of this ongoing collaborative effort, and is
designed to give crime victims in Idaho an effective voice in the criminal justice process. It provides for three foundational principles: 1.) the opportunity for notice; 2.) the opportunity to be present; and 3.) the opportunity to be heard.

Senator Lakey reminded everyone that a constitutional amendment is a floor or foundation, not a ceiling. It must be followed with regulation and rules. Senator Lakey walked the Committee through the legislation with a full explanation of what it would do.

Senator Lakey asked for general support of SJR 101.

DISCUSSION:

Senator Stennett asked Senator Lakey if there is already a requirement to opt in or if crime victims are currently not being provided this option. She also asked how reiterating the language is more enforceable. Senator Lakey stated that prosecutors and law enforcement support Marsy's Law and emphasized the State Constitution shows the importance of victims right's issues. He further stated that rights in the State Constitution provide standing for victims to raise issues themselves and to allow courts to reconsider.

Senator Stennett asked if there was any distinction between the levels of treatment victims would receive. Senator Lakey replied Marsy's Law treats all victims equally but it does depend on the level of violence. Senator Stennett asked who the courts are looking to for finding evidence of what the victim endured. Senator Lakey replied that the courts retain the right if there is injury.

Senator Stennett asked for clarification on the fiscal note and why it does not specifically direct money to crime victims. She further noted that those with financial means may be the only ones with representation and agencies are light in estimation. She referenced North Dakota and asked how adopting Marsy's Law would not be a financial burden to the State. Senator Lakey replied other states did not have existing baselines that Idaho currently has. He continued by saying the fiscal impact is incremental for the cases and the defendant has the Constitutional right to representation. He further explained that the victims have the option of representation and the prosecutors must assist, but it is not a requirement they represent the victim.

Senator Vick asked Senator Lakey why language was struck in the bill. Senator Lakey clarified the language did not authorize the policy to inform victims of their rights and the intention was to correct it. Senator Vick asked why the time frame for cases could not simply be reduced rather than have a Constitutional amendment. Senator Lakey stated that it would not solve the current issue and this law creates a new baseline that if challenged will have the strength of the State Constitution behind it.

TESTIMONY:

The following participants spoke in support of SJR 101:
- Dr. Paul Cassell, Professor of Law at the University of Utah
- Holly Koole-Rebholz, Idaho Professional Attorneys Association
- Pamela Lassiter Simlock, Institute of Preventing Relationship Violence
- Rob Shoplock, Professional Firefighters of Idaho
- Page Dinger, Executive for Faces of Hope Victims Center
- Carolyn Casey read written testimony for Matt Morgan, Building Hope Today, Idaho Falls, ID
- Mike Kane, Idaho Sheriff's Association
- Susan Nally, Bingham County Sheriff's Office
- John Buck, Gem County Coroner and County Coroners Association

The points they made were:
1. Clarification of rights of victims already given in the Constitution
2. Funding and needs of victims’ are not exclusive
3. The Constitution gives more weight than a statute in court
4. No additional costs
5. Idaho needs to do more for victims
6. SJR 101 expands the existing policy in Idaho Code § 19-5306.

The following spoke in opposition to SJR 101:
- Joseph C. Miller, Idaho Association of Criminal Defense Attorneys
- Fafa Aldijari, self and Idaho Attorneys Association
- Kathy Griesmyer, Policy Director, American Civil Liberties Union (ACLU)
- Annie Hightower, Director of Law and Policy, Idaho Coalition Against Sexual and Domestic Violence
- Mathew Jensen, representing himself

The points they made were:
1. Victims already have a voice in Idaho
2. More difficult to correct and address the Constitution than a statute
3. SJR 101 does not clearly address the solution or problems associated with victims' rights
4. Third parties cannot intervene to serve as a victim's attorney
5. It is unclear whether the enforcement of victims' rights has to take place in the criminal proceeding or during an ancillary civil proceeding

**DISCUSSION:**

**Senator Stennett** stated she would be more comfortable with this law being a statute rather than a Constitutional amendment. She asked Dr. Paul Cassell how the new Constitutional requirement would avoid the pitfalls other states have experienced. **Dr. Cassell** stated that the pitfalls in other states are exaggerated. He elaborated on the experiences of several states and concluded saying that California, with 40 million people, has had no significant issues or concerns and no efforts to change Marsy's Law there.

**Senator Hill** asked Dr. Cassell how a victim who has Constitutional rights would not have standing. **Dr. Cassell** thought they had those rights but in court, they do not have enforceable rights; Marsy's Law clarifies those rights to avoid litigation.

**Senator Vick** stated that he does not want to take away the victims' right to be heard. **Dr. Cassell** replied that certain parameters exist and there are enforcement mechanisms which allow victims other ways of relief.

**Senator Stennett** asked Pamela Lassiter if, under current law, the State of Idaho is doing all it can to preserve victims' rights in court. **Ms. Lassiter** replied that Marsy's Law would give victims more opportunities in the court system.

**Chairwoman Lodge** asked Michael Kane if the statutes could be added today. **Mr. Kane** said it wouldn't be easy. What **SJR 101** stands for is that victimized people would be heard.

**Senator Stennett** asked Mr. Kane if the Constitution has more weight than a statute. **Mr. Kane** replied that the Constitution always has more power than statutes. **Senator Stennett** asked if statutes do more than the Constitution for victims rights. **Mr. Kane** replied in the negative and adopting Marsy's Law would be for the good of society.

**Senator Stennett** asked Joseph C. Miller if, by passing Marsy's Law, the Legislature is prohibiting the victim's ability to access the current provisions already given in Idaho Code § 19-5306. **Mr. Miller** stated the code can be expanded or limited depending on the case but both scenarios can be handled by the statute.
Senator Winder asked Mr. Miller about the length of parole hearings. Mr. Miller stated that he did not have specifics but gave general examples of how parole hearings are extended. Senator Winder asked why Mr. Miller would object to having a shorter hearing than a longer one. Mr. Miller responded that it was better to do things right than fast, with a proper balance, and with both the defendant and the victim receiving their rights.

Senator Souza asked Mr. Miller if delaying any hearings would be unfair treatment to the defendant and if in those cases, the victim should not be notified. Mr. Miller stated that victims should be notified and that it is fair and in the statute. Senator Souza asked about the powers of a statute compared to a Constitutional amendment. Mr. Miller stated that a statute is more applicable in court and does not require the backing of the State Constitution. Senator Souza asked if the rights of the accused should also be added to the State Constitution. Mr. Miller stated that Idaho already has a good legal baseline.

Senator Winder thanked Kathy Griesmyer and asked about specific length of parole hearings. He also asked why the ACLU would not be supportive of women who are the majority of victims in these types of cases. Ms. Griesmyer answered the question regarding length of parole hearings and also stated that Marsy's Law is not the right solution for this particular problem.

Senator Stennett asked Ms. Griesmyer if the State has the necessary infrastructure in place for victims' rights. She also asked if new language would insert a third party to assist victims or would it lead to further confusion of the system. Ms. Griesmyer answered adding new language would insert a third party and that the State already had the necessary infrastructure.

Senator Buckner-Webb asked Ms Griesmyer if the increased wait times for parole hearings in California were a result of implementing Marsy's Law. Ms. Griesmyer stated that she did not have that data but could provide it.

Senator Winder asked Ms. Hightower if she could be more precise in the point she was trying to make. Ms. Hightower stated that the problems causing the need for victim's to have rights were not being addressed.

Senator Buckner-Webb asked if the bill and the current statutes can collaborate together for victims' rights. Ms. Hightower said they could work together, the problem is enforcement..

Senator Hill thanked all who came, and said he respected all of the perspectives given.

Senator Vick thanked those who testified and stated he is also a strong supporter of victims' rights and the right to keep and bear arms. He read the last sentence in the Constitution and stated that victims' rights are already enshrined and should not be added into the Constitution.

Senator Stennett stated she was still on the fence about the issue because current laws are still not being enforced. She stated she wanted to improve and add more, but there is no provision in the budget or means to inform the victims of their rights. She stated when it is in statute, you can make changes but it is much harder to make Constitutional amendments. She stated she will opt to support the Constitutional amendment with trepidation. She hoped it will be enforced and victims will not be abandoned.

Chairwoman Lodge said she is on the fence, and recognized prosecutors do all they can to notify people. She raised concerns about funding coming from out-of-state to push the amendment. She continues to believe it is not an
Idaho solution, however it is better than what the State had two years ago. She said there are still some things that bother her, and a big issue is cost to counties and taxpayers, court flow interruption, and lengthening of hearings. She also voiced concerns about victims and was willing to move this to floor while retaining the right to change her vote on the floor.

PASSED THE GAVEL: Vice Chairman Harris passed the gavel back to Chairwoman Lodge.

MOTION: Senator Hill moved to send SJR 101 to the floor with a do pass recommendation. Senator Buckner-Webb seconded the motion. The motion carried by voice vote. Senator Vick requested to be recorded as voting nay.

ADJOURNED: The remaining items on the agenda will be heard at the next meeting. There being no further business at this time, Chairwoman Lodge adjourned the meeting at 10:55 a.m.

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Senator Lodge, Chair Twyla Melton, Secretary

______________________________
Assisted by Jonathan von Nieda
AGENDA
SENATE STATE AFFAIRS COMMITTEE
8:00 A.M.
Room WW55
Monday, February 11, 2019

SUBJECT | DESCRIPTION | PRESENTER
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RS26739 | RELATING TO BEER by adding a new section to Idaho Code to authorize contract brewing in certain instances. | Senator Crabtree

RS26795 | RELATING TO VETERANS to revise financial relief and assistance provisions. | Senator Woodward

RS26796 | RELATING TO VETERANS that interest related to the Idaho Veterans Recognition Fund shall be maintained by the Division of Veterans Services. | Senator Crabtree

RS26797 | RELATING TO VETERANS to repeal Idaho Code, Section 65-208. | Senator Woodward

RS26700 | RELATING TO THE STATE BRAND BOARD to revise fees regarding ownership and transportation certificates and to revise provisions related to brand inspection fees. | Tyler Brock

RS26805 | STATING THE FINDINGS OF THE LEGISLATURE for the North Idaho College to enter into an agreement with the Idaho State Building Authority. | Senator Souza

IDAPA 11 - IDAHO STATE POLICE - Idaho State Racing Commission


DOCKET NO. 11-0403-1801 TEMPORARY RULES | 11.04.03 Rules Governing Licensing and Fees Docket No. 11-0403-1801 | Jim Hammond, Idaho State Racing Commission

S 1040 | RELATING TO ALCOHOL to remove the state from the issuance of new liquor-by-the-drink licenses, while grandfathering state licenses issued prior to the effective date of this legislation and preserving their existing rights to transferability. | Senator Rice

PRESENTATION: Verizon - Small Cell Briefing | Mark Estess, Partner, Eiguren Ellis Policy Firm Andrew Cole, Community Engagement, Verizon Communications
If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS
Chairman Lodge
Vice Chairman Harris
Sen Hill
Sen Winder
Sen Vick

Sen Anthon
Sen Souza
Sen Stennett
Sen Buckner-Webb

COMMITTEE SECRETARY
Twyla Melton
Room: WW42
Phone: 332-1326
e-mail: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Monday, February 11, 2019
TIME: 8:00 A.M.
PLACE: Room WW55

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

ABSENT/EXCUSED: None

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 8:04 a.m. with a quorum present.

RS 26739 RELATING TO BEER by adding a new section to Idaho Code to authorize contract brewing in certain instances.

RS 26795 RELATING TO VETERANS to revise financial relief and assistance provisions.

RS 26796 RELATING TO VETERANS that interest related to the Idaho Veterans Recognition Fund shall be maintained by the Division of Veterans Services.

RS 26797 RELATING TO VETERANS to repeal Idaho Code, Section 65-208.

RS 26700 RELATING TO THE STATE BRAND BOARD to revise fees regarding ownership and transportation certificates and to revise provisions related to brand inspection fees.

RS 26805 STATING THE FINDINGS OF THE LEGISLATURE for the North Idaho College to enter into an agreement with the Idaho State Building Authority.

MOTION: Senator Anthon moved to send RS 26739, RS 26795, RS 26796, RS 26797, RS 26700, and RS 26805 to print. Senator Buckner-Webb seconded the motion. The motion carried by voice vote.


James Hammond, Chairman, Idaho State Racing Commission (Commission), stated that the Commission strives to continually provide effective and fair enforcement for all horse racing participants. He indicated that pursuing advances in equine drug enforcement, such as hair testing, remains a critical part of the Commission's mission to maintain the integrity of horse racing in Idaho. He advised that Idaho currently tests blood, urine, and saliva, and this proposed rule change adds the option to perform horse hair testing. It is believed this change will prevent and deter fraudulent activities during Idaho's live race meets. Mr. Hammond advised that many other tracks and some other states are already doing hair testing, and Idaho's horsemen are requesting this change to remain competitive.

DISCUSSION: Vice Chairman Harris asked how long it takes for drug residue to get into the hair. Mr. Hammond referred the question to Artie Noyes, Business Manager, Idaho State Racing Commission, who stated she could not say how long it takes...
to get into the system, but it stays in the system for some time. Retests are done after 45 days; however, they can go back quite a length of time to see what drugs were in the system. Vice Chairman Harris asked how long it takes for a hair test to be returned. Ms. Noyes said time period is approximately 7 to 10 days.

MOTION: Vice Chairman Harris moved to approve Docket No. 11-0411-1802. Senator Vick seconded the motion. The motion carried by voice vote.

DOCKET NO. 11-0403-1801

Rules Governing Licensing and Fees.

Mr. Hammond advised that this rule relates to the fees for testing under Docket No. 11-0411-1802. He stated that the Commission does not currently have the funds to do the required testing, and would like to have the proposed rule move forward as a temporary rule in order that negotiated rulemaking can continue on this issue.

DISCUSSION: Senator Winder asked why the fees were not included with the testing rule. Mr. Hammond responded that fees were placed in a separate rule so they can be changed if necessary.

Senator Souza inquired if there is a time frame for negotiated rulemaking. Mr. Hammond indicated that an exact time line has not been set, but it will be short because it is combined with the larger issue of continued horse racing in Idaho. He related that the Commission is a self-sustaining and self-supporting agency, and the horsemen must work with the Commission on a strategy that will support the regulatory responsibilities of the Commission, and also support the activities that go along with that in terms of testing and the cost of veterinary services.

MOTION: Senator Souza moved to approve Docket No. 11-0403-1801. Senator Buckner-Webb seconded the motion. The motion carried by voice vote.

S 1040

RELATING TO ALCOHOL to remove the State from the issuance of new liquor-by-the drink licenses while grandfathering state licenses issued prior to the effective date of this legislation and preserving their existing rights to transferability.

Senator Jim Rice, District 10, stated that the topic of how Idaho issues liquor licenses has been the subject of interim committees and study groups out of the Governor’s office for decades. The reason for this is that the current system of liquor licensing creates a commodity out of a license; it does that by creating a shortage and allowing transferability of those licenses. He indicated that this bill seeks to address that problem by creating a new license issued by cities and counties to restaurants and hotels only. Cities and counties are allowed to make their own decision on whether they would issue any licenses under this bill. They retain that local control, and can issue additional ordinances to regulate liquor licenses; however, the bill sets limits on what type of business they can issue a license to.

Senator Rice advised Idaho’s previously issued licenses will remain in effect, but we will not issue any more of them. He indicated there are two categories of previously issued licenses: regular licenses, which would still be transferable and not be limited to their current location, but would be allowed to be transferred only to places where the retail sale of liquor is allowed; and specialty licenses, which are not currently transferable and would remain that way. Under this bill there would be a minimum $3,000 annual fee, and the local jurisdiction can consider their direct and indirect costs in setting the license fee at any amount above the $3,000. There is also a $400 application fee. Senator Rice indicated that this is an attempt to address a need we have in many of our cities, small and large, where tourism business exists. They would like to bring in hotels and restaurants. He stated the bill additionally mandates training for servers.
in a uniform fashion so that they are trained to identify and cut off people that have had too much to drink.

Senator Rice advised that this bill does some things to preserve the value of the previous licenses; they will receive a 10 percent discount on liquor purchases from the dispensary, rather than the previous 5 percent. New licensees will pay retail for their liquor. He advised that S 1040 does not make any additional licenses available for bars.

**DISCUSSION:**

Senator Anthon asked why the language of "intoxicated or apparently intoxicated" was changed to "obviously intoxicated." Senator Rice responded that by changing the language to "obviously intoxicated," the server becomes responsible for a standard they can actually meet. They are not putting a problem situation with a definition that is vague and subject to interpretation, when punishment is a possibility. Senator Anthon also asked Senator Rice to confirm that current license holders would get a 10 percent discount on the price of liquor and the new licensees would pay the retail cost. Senator Rice confirmed that is correct.

In response to a question from Senator Stennett regarding who would be in charge of the process of issuing licenses, Senator Rice advised that there are a number of different responsibilities in any licensing. There are those responsible for creating ordinances, as well as boards of directors or owners, depending on how an entity is structured. Senator Stennett also asked for clarification on where current licenses can be transferred to within the state. Senator Rice advised that currently a license in Boise can only be transferred within Boise. Senator Stennett further asked if the bill contains language that allows minors in establishments that serve alcohol, such as restaurants. Senator Rice answered that a new section designated as Section 23-604B provides for that exception.

Senator Vick questioned whether some restaurants now licensed might elect to sell their current license and get a new one, thereby possibly increasing the number of bar licenses. Senator Rice indicated that this does not increase the number of potential bars, because it permanently caps the number of licenses that could be used by bars. He added that there is a significant competitive advantage to paying 10 percent less for liquor and, although there may be some who sell licenses, he feels most of them will see this discount as a long term competitive advantage; an important aspect to the health of their business. Senator Vick pointed out that a small restaurant that does not sell a lot of liquor may sell their license to Boise or Sun Valley, someplace that may pay $200,000 or $300,000 for a liquor license. Senator Rice agreed that is always possible.

Senator Winder questioned, related to the possible sale of a license, how long it would take a business to benefit from the additional 5 percent savings on liquor purchases compared to the benefit of a $500,000 or $200,000 sale of the license. Senator Rice indicated this would be based upon the amount of liquor sold, and that the average annual liquor purchase at this time among all license holders is $25,000.

Senator Souza asked if an existing bar can be denied by local ordinance under this law. Senator Rice advised this law does not allow local authorities to go in and take away state licenses that already exist unless they violate terms of their current license. However, it does expressly limit where one can move on to, because it just gives transferability wherever liquor by the drink establishments are allowed. Senator Souza asked if license fees will go to the state or local government. Senator Rice responded that current state licensees will still pay fees to the State; new fees will be paid to the issuing jurisdiction.

Vice Chairman Harris asked if there are organizations that provide the "ServSafe Alcohol" training program and the "training for intervention procedures"
programs mentioned in the bill; if so, what is the usual cost to train a server. Senator Rice stated that these are two programs that had been mentioned in a previous working group convened by the Governor, and the bill also allows other equivalent programs approved by the director. He indicated he does not know the cost of training.

Senator Winder asked Senator Rice to help him understand how the current system works when someone applies for a license, and then explain how the new system would maintain some standard of oversight. Senator Rice advised that the process is essentially the same, it is just a shift in who will handle the licensing procedure. With both, there is an application fee and a background check. There are some exclusions for individuals who have had their licenses taken away, or have committed certain crimes within a particular period of time, and other things of that nature. Senator Winder commented that the current system is under the control of the Idaho State Police. Senator Rice agreed, and for beer and wine, it is going to continue as it is. This bill only affects liquor licensing. Senator Winder noted in this bill it is no longer under the control of law enforcement, but the local political bodies. He asked Senator Rice to explain this change. Senator Rice explained that the cities would still do background checks through law enforcement, and law enforcement would still enforce city ordinances. Processing will be handled however they choose to do it. He stated cities do a good job with enforcing their ordinances.

Senator Souza asked for an explanation of the section regarding hours of sale of liquor and listed holidays, and whether this new law will impact local decision making through ordinance. Senator Rice advised that this section is actually existing law so it will work exactly like it does now. Senator Souza further asked how small cities who do not have police forces of their own will enforce these new laws. Senator Rice advised there are a number of cities that contract with the county sheriff's office for their law enforcement and this would fall under those contracts.

Senator Stennett asked if the Idaho Attorney General had been consulted as to the constitutionality of this bill since the Idaho State Constitution grants the legislature authority to oversee licenses, not cities and counties. Senator Rice indicated he had not consulted with the Attorney General, but when the constitution grants the legislature the right to regulate something, it can choose a state entity to act on its behalf.

TESTIMONY: Ray Stark, representing Boise Chamber of Commerce (Chamber), spoke in favor of S 1040, stating that the Chamber likes the local option of this bill as well as the training provisions. Senator Stennett asked Mr. Stark how he saw the economic gain if a liquor license is issued, and then sold and sent somewhere else, and is no longer in the community. Mr. Stark stated that the current system of the State regulating liquor licenses creates a monopoly; it artificially escalates the purchase price of a license. Unless we change the way licenses are issued we will be dealing with this year after year.

Russell Westerberg, representing Idaho Licensed Beverage Association (ILBA), spoke in opposition to S 1040. He stated that ILBA's concerns focus on the significant economic demolition this bill will inflict on the market value of their businesses. He indicated eliminating the transaction value of a state issued quota license in Idaho's more populous communities will cause the investment portfolios of many small business owners to evaporate (see attachment 1 for further comments).

Kevin Settles, representing himself, disclosed that he is the owner and operator of Bardenay Restaurants and Distilleries and serves on the Board of Directors of the National Restaurant Association, which markets the ServSafe Alcohol
training program and also serves on their Educational Foundation Board. He spoke in favor of S 1040. He stated that he owns three licenses, all purchased at retail value, and he is very concerned about that value. Mr. Settles indicated that the basis for this current bill was drafted in 2008 by a Governor's committee because the economy was thriving, and there was a lot of pressure for change. He emphasized that this bill allows cities and counties to meet their needs, and enhances safety through the mandatory training for the service and sale of alcohol by the drink.

In response to questions from the Committee, Mr. Settles confirmed that even though he has three existing licenses, he is in favor of this bill. He stated that with the new municipal license, a food menu must be available until you stop the sale of alcohol, and with the existing license you can stop the sale of food and continue to sell alcohol. The practice at Bardenay is to shut the kitchen down, or go to a limited menu, at 9:00 or 10:00 p.m.; they no longer allow minors at that time, and only sell alcohol. This has financial benefits as kitchen labor is one of the most expensive operating costs. Mr. Settles indicated that the benefits of the existing license are threefold: 1.) annual renewal fees are less; 2.) you get a discount on liquor purchases; and 3.) operational costs are much lower when you do not serve food. He stated he is fully behind training for servers. The cost is about $30 and it takes 2 to 3 hours.

Roger Wood spoke in opposition to S 1040. He stated that he is the owner of a small bar in downtown Boise. This bill will obviously add more bars and restaurants selling liquor by the drink, but nothing in the bill says there will be more people partaking of liquor. He does not see this as economic development, rather it will potentially reduce his customer base and could put him out of business.

Mark Grubert, owner of a small business craft brew company, Spring Creek Brewing Company, located in Ada County, spoke in favor of S 1040. He stated that this bill will allow him to get a liquor by the glass license much quicker than the current 13-year wait. He feels it changes the system in a way that is beneficial to new startups.

Brad Selvig, owner of the End Zone Bar in Boise, spoke in opposition to S 1040. He stated that he purchased his license and has obtained business loans based upon the value of the license. He fears that if this bill passes it will devalue his license (for further comments, see attachment 1).

Jess Harrison, Executive Director, Association of Idaho Cities (AIC), spoke in favor of S 1040. She stated that AIC has been interested for many years in finding a comprehensive solution to what it sees as flaws in the current system of liquor license issuance, which stifles competition and unfairly favors current license holders. AIC believes this legislation allows local communities to tailor licenses to their unique social values and economic development needs.

Senator Vick asked how AIC comes to a decision to support or oppose legislation. Ms. Harrison advised that AIC has a 26 member board made up of elected mayors and city council members throughout the state. The board meets weekly and votes on each piece of legislation that comes before it. She added that the vote on S 1040 was unanimous for support and that it takes only a majority vote to support or oppose legislation that comes before the board.

Joe Ostermiller, Boise, spoke in opposition to S 1040. He stated that he has been on the current liquor license waiting list, and is about 2 to 3 years away from being offered a state license. He stated that while the current laws regarding liquor licensing certainly need work, he does not believe S 1040 does
enough to open the door to entry level Idaho entrepreneurs, and still favors big money due to the high initial investment cost of the municipal license and restaurant startup. He indicated the bill does not fairly address the initial loss of value to those who paid a high dollar amount for a license transfer (for further comments and analysis, see attachment 1).

**John Evans**, Mayor, Garden City, and Legislative Chair of the AIC, spoke in favor of **S 1040**. He stated that from an economic standpoint, this bill gives cities the ability to attract high-end sit-down restaurants. If an individual can afford to put a restaurant together, and wants a license to serve alcohol with a meal, Garden City wants the opportunity to grant that. He indicated that he likes the fact that cities also enjoy the ability under this bill to promulgate additional rules above the high standards that are placed in the bill if there is a need to tailor something more specifically.

**Ted Challenger**, representing Idaho's Alcohol Industry Leaders (IAL), spoke in opposition to **S 1040**. He stated that IAL is a think tank consisting of diverse liquor license holders who came together with a purpose that Idaho needs to reform Title 23, Idaho Code. He indicated IAL’s goal is to hold roundtable discussions to come up with a bill that can be supported by everyone.

**Senator Hill** asked Mr. Challenger how the IAL roundtable would be structured, how it is going to make sure different parts of the state and different interests are represented, and that it is not just a group that all have the same idea and are trying to find a way to make that idea work. **Mr. Challenger** indicated the group consists of two of Idaho's major resorts, a multiple hotel owner, a nightclub and lounge owner, a small restaurant owner, and Idaho's largest liquor distiller. They would like to add law enforcement, bar owners, mayors, legislators, distributors, distillers, innkeepers, and retailers. **Senator Hill** thanked Mr. Challenger for what he is doing, but cautioned that he make sure he involves stakeholders at the table with different types of solutions so they can develop the best solution.

**Senator Winder** asked if there are any states that have a system that Mr. Challenger would say is a good model. **Mr. Challenger** indicated he had not yet done that research.

**Jeremy Chou**, on behalf of his family operated restaurant in Boise, Yen Ching, spoke in favor of **S 1040**. He stated that his father was on the liquor license waiting list for 20 years before receiving a license, and it would have been nice if this bill had been available in 1986 when he first put his name on the list. He indicated that there has been a lot of fear of competition expressed, but he submits that competition is good. He further stated that this bill creates a level playing field between the large chains that can afford to pay for a current license and the small business.

**Emre Houser**, owner of the Balcony Club in downtown Boise, spoke in opposition to **S 1040**. He stated that existing license holders are going to bear the brunt of this legislation. He purchased his license for about $175,000 and played by the rules, now this proposed legislation would change the rules. He wondered how many bars and nightclubs were consulted on this proposed legislation.

**Wes Harris**, Regional Legislative Chair for Region 4, Idaho Licensed Beverage Association (ILBA) spoke in opposition to **S 1040**. He stated the current quota system we have today works, and it works well. He added that the current quota system has created a stable bar and restaurant environment. It is a responsible way to make alcoholic beverages available to the public in a safe and controlled way so as to prevent the excess of intoxication.
Rob Nielsen, owner of a restaurant in McCall, ID, spoke in opposition to S 1040. He stated that he agreed with Mr. Challenger that there is a path forward, but this is not it.

Brian Donesley, an attorney, spoke in opposition to S 1040. He stated he has seen the quota system work for 40 years, and feels it is bad public policy to base economic development policy for the state on selling more liquor (see further comments at attachment 1).

Chairwoman Lodge asked if Mr. Donesley had ever put his name on a waiting list for a liquor license. Mr. Donesley responded that he had placed his name on a list 26 times; he now has his name on one list, and has one license. Chairwoman Lodge asked if Mr. Donesley had sold any licenses. Mr. Donesley responded that he had not.

WRITTEN TESTIMONY:
For additional written testimony submitted to the Committee, see attachment 2.

REBUTTAL:
In response to claims that S 1040 violates Article III of the Idaho State Constitution, Senator Rice quoted Article III, Section 26, regarding the Legislature's role/power in permitting, controlling, and regulating liquor. He indicated this does not imply they have the sole duty of doing all the regulation of liquor in the State of Idaho, but is the broadest grant of authority to the legislature to provide a methodology, scheme, and set up the regulation of alcohol, not just liquor. Senator Rice disputed the results of the study presented that stated more outlets that serve alcohol will result in more per capita drinking problems. In response to the reference in testimony to "bar-straut" in CDC advice, Senator Rice indicated the CDC encouraged the language in the proposed legislation defining an eating establishment.

In closing, Senator Rice stated this is not a hurried bill without discussion with interested parties from all directions. It is a long term project that has been done by this legislature and previous legislatures, and it is time we address the issue.

Senator Anthon noted that the city or county would have to promulgate their own set of regulations as to how they will move forward, and to what limits they would place on this kind of licensing. He asked what the legal liability or exposure of a local government unit would be if it is deemed to act arbitrarily to allow some to have and some to have not. Senator Rice responded that the legislation does create sideboards; however, there are times when people act arbitrarily and capriciously; that seldom happens, but there is always liability for that. Senator Anthon asked if Senator Rice contemplated that a local government could limit the number of licenses allowed within their jurisdiction. Senator Rice responded that there is no prohibition on limiting the number. This legislation allows the cities to make that decision based on their needs.

Senator Hill asked Senator Rice if it is his belief that this bill would increase liquor consumption. Senator Rice responded that you may get some shift in drink selection, e.g., selecting a martini over a glass of wine, but it is not his belief that it would result in an increase in alcohol consumption.

Vice Chairman Harris asked if those on waiting lists for licenses would have grandfather rights. Senator Rice advised they would not; they will receive their deposits back.

MOTION: Senator Souza moved to send S 1040 to the floor with a do pass recommendation. The motion died for lack of a second.

MOTION: Senator Anthon moved to send S 1040 to the floor without recommendation. Senator Souza seconded the motion.
SUBSTITUTE MOTION: Senator Winder moved to hold S 1040 in Committee and allow the sponsor to continue to work with stakeholders. Vice Chairman Harris seconded the motion.

Senator Souza asked Senator Winder if it is his intention, by holding this in Committee, that the sponsor would have the opportunity to bring back a compromise bill this session. Senator Winder indicated that may be optimistic, but it would be his goal to get everyone around the table and see if there is a solution. He stated he sees the big question centering around how to amortize the value of the existing license.

Senator Stennett stated she understands the economics of this legislation and has been a big proponent of it for local governments. She also voiced concerns about the uniformity of how one acquires a license under the new jurisdictions, and questioned the ability of any staff or council having the knowledge for regulation. She indicated she would also like to take time to run this by the Idaho Attorney General so we do not end up with a lawsuit that will cost taxpayer dollars.

Chairwoman Lodge thanked Senator Rice for his work on this legislation and indicated she would be supporting the substitute motion.

VOTE ON SUBSTITUTE MOTION: The substitute motion to hold S 1040 in Committee to allow the sponsor time to work with stakeholders, carried by voice vote. Senator Anthon and Senator Souza requested they be recorded as voting nay.

PRESENTATION: Mark Estess, Partner, Eiguren Ellis Policy Firm, appeared before the Committee on behalf of his client, Verizon. He introduced Andrew Cole, Community Engagement, Verizon Communications, and stated that Mr. Cole will be updating the Committee regarding activity, in both large and small communities, in terms of investment being made in telecommunications infrastructure - specifically around small cells. Mr. Cole indicated that Verizon’s approach is built around recognizing and valuing partnerships with local jurisdictions, and they are pleased to say that strategy is working with wireless infrastructure investment; that means digital access to innovation and growth for Idaho communities.

RECORDING LINK: To hear Mr. Cole’s presentation in full go to: https://legislature.idaho.gov/sessioninfo/2019/standingcommittees/SSTA/.

DISCUSSION: Senator Winder asked what additional service the pole mount antennas provide in the downtown area. Mr. Cole indicated these essentially provide more access to data transfer. By adding small cells, Verizon is increasing the bandwidth – the ability to transfer those data services on your phone. Senator Stennett stated her area of the state is under served by broadband, and cell phone access is sporadic. She asked if small cells are capable of pushing service out from a center into places that are under served now. Mr. Cole advised that small cells are lower power, so they propagate less distance than a macro facility. He indicated there could be certain applications where it does make sense, based on topography, to use a small cell or series of small cells rather than a macro. In general, he indicated Verizon will deploy most of their small cells in urban environments.

ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 10:45 a.m.
FEBRUARY 11, 2019
S 1040
COPIES OF SOME ORAL TESTIMONIES
ATTACHMENT 1
S.1040 is spread out over 48 pages. While there are numerous drafting complexities, the intent of the proposal is clear. Replace the 60 year old system Idaho has used to allocate licenses to serve liquor based on population in a city, by giving cities and counties carte blanche authority to issue a license to serve liquor to every restaurant and hotel that wants one. Regardless of population.

My client’s concerns focus on the significant economic demolition S.1040 will inflict on the market value of their business. Eliminating the transaction value of a state issued quota license in Idaho’s more populous communities will cause the investment portfolios of many small business owners to evaporate. Those are legitimate concerns.

However, what concerns me and what I hope should concern you is the absolute, unlimited expansion of liquor by the drink establishments S. 1040 will cause to occur in Idaho’s cities and counties.

Liquor by the drink is nothing new in most Idaho cities where quota licenses exist. However, giving county commissioners the authority to issue liquor by the drink in rural, unincorporated areas is reason alone to say no to S.1040. The only liquor by the drink licenses that currently exist outside city limits are those few specialty, non-transferable licenses made possible in each instance by separate acts of the legislature.

Since 1959 retail liquor licenses have been issued by the State of Idaho based on population. Exceptions, for economic development have been provided by the Legislature in the form of Specialty Licenses which are not transferable and are the only kind that are presently found outside city limits. (Golf courses, ski resorts etc.)

Transferring the ability to issue liquor license from the state to cities and counties grossly ignores the legislature’s responsibility in Art 3 section 24 to provide for the temperance and morality and sobriety of the people and the purity of the home, and - Art 3 section 26 that says after 1934 the legislature shall have full authority to permit, control and regulate the manufacture and sale of intoxicating liquors.

The professed purpose of S.1040 is to increase the number of licenses to serve liquor by the drink by eliminating any required per capita population per liquor license. The Director of the State Liquor dispensary has been heard to agree that increasing the number of retail liquor licenses will increase the sale of liquor.

2014 statistics obtained from Dept. of law enforcement graphically demonstrate that when liquor licenses per capita are increased, DUIs per capita increase proportionately.
For example: Four years ago the average per capita per retail liquor license in the state of Idaho and the City of Boise was 1,500. Resort oriented counties Teton, Blaine, Boise, Boundary, Idaho and Valley County have per capita averages far below the state average. In the same study Teton County averaged 642 people per license.

As you might expect, corresponding with residents in cities in Resort - counties greater access to liquor results in higher instances of DUls. For instance, during 2004-2014 the percentage of the population in Teton County arrested for DUI was double the percentage of the population arrested in Ada County. Resort cities have higher instances of DUls because residents there have greater access to liquor.

If S.1040 has the desired effect of not just lowering, but eliminating any required population per liquor license - DUls per capita and associated problems with alcohol abuse will increase proportionately state wide.

Don't be lulled into thinking because there is no limit on the number and location of beer and wine by the drink licenses that there is no need to continue current policy allocating liquor by the drink licenses according to population. There is a non-disputable difference between the quantity needed for intoxication between beer, and wine and 100 proof Old Overcoat.

S.1040 isn't about economic development. Its about increasing the sale and consumption of intoxicating liquors Idaho's constitution Article 3 section 26 put each of you and your colleagues in the legislature in charge of controlling and regulating the sale of.

I encourage you to honor the expectations given you by the architects of Idaho's constitution and at the same time prevent economic loss to Idaho's current license holders and hold S. 1040 in this committee.
Dear Senator Lodge,

When I bought my Idaho State liquor license in 2007, I paid $150,000 for a license I was told I would never technically own. On top of that, I paid the State of Idaho a 10% mandated transfer fee. In addition to this transfer fee, I paid monthly interest for the loan I secured in order to purchase the right to use that license. I paid this loan off in 2016. That same year I was able to secure another loan (based on the value of my business) to buy out my business partner. Again, I paid the same State mandated transfer fee of 10% because I changed the structure of my corporation. I am still paying on this loan. When all was said and done, I have $185,000 invested into my current license. If this bill passes, the value of my license will be devalued and I could potentially hold a license with no value. Why would anyone purchase a $185,000 license when they could get a restaurant license from the city or county for $3,000 and then set up a makeshift "eating establishment"?

I have no regrets over spending any of this money. I do however hope to someday recover these expenses and retain the value of my business for future sale. I fear that passage of this bill would cause my bank to call my loan due because of the devaluation of liquor licenses and my businesses. What I know is that I do everything I can to protect this investment. We currently require all staff to participate in regular training on how to identify fake ID’s, prevent the over-service of alcohol and promote a safe clean environment for patrons to congregate. I fail to understand how someone that only paid $3,000 for a license having that same level of commitment to staff safety and community commitment to the prevention of underage / binge drinking.

How is this economic development? Business owners, running safe and profitable business provide the State with revenue through this 10% transfer fee. My business alone has provided the State of Idaho $20,000 through this revenue-generating vehicle.

Economic development is not created by making more liquor licenses available. Economic development is a process achieved through investing in infrastructure, housing, and urbanization. Currently the State of Idaho has a functioning and stable quota system in place to compensate for this growth. Flooding the market with licenses will cause an unbalanced economic environment for local business who were forced to pay market value for a license that they technically do not own.

I am only one example of an Idaho liquor license holder. There are approximately 1100 quota license holders throughout the state that have obtained single and multiple licenses. We share a common fear that the investments we have worked so hard to purchase and maintain will be worthless and result in economic hardship for ourselves, our families and our businesses.

Thank you for taking time to hear my testimony. I urge you to vote NO on SB1040.

Regards,

Brad Selvig
1010 S. Broadway Ave
Boise, ID 83705
Owner
Boise River Catering
The End Zone Tavern
February 5, 2019

State Affairs Committee
700 W. Jefferson St.
Boise, ID 83701

Members of the State Affairs Committee:

I am writing this letter in opposition to S1040 regarding alcohol served by the drink. I am sincerely hoping and requesting that you will NOT SUPPORT this bill as it is written. The proposed amendments to these statutes are very concerning to me, as I am on the current liquor license waiting list, and have been for quite some time.

The monetary value of liquor licenses in Boise has been financially prohibitive for my wife and I to purchase a seasoned license, so we chose to wait it out on the list so we could see our vision come to life. Currently, I am about two to three years away from being offered a state license. Once we get offered a license, we plan to open a unique to Boise, high end craft cocktail establishment that focuses on the art of the cocktail. While we plan to offer some light appetizers/tapas, we do not want to (nor can we afford to) enter into the food industry with a full restaurant at this time.

S1040 is, I believe, pointed in the right direction, but still misses the mark and will end up creating more obstacles for entry level Idaho entrepreneurs than any good that will come out of it. While I have many concerns about the system that this bill would create, below are my primary concerns which will effect myself and others in my position directly. Please refer to the attachment for a more in depth analysis in support of these points marked with an asterisk:

**Prohibitive to Entry Level Entrepreneurs:** The old adage of “it takes money to make money” holds very true to this bill. The added cost of restaurant equipment, supplies, stock, staff, and square footage needed to meet the definition of an “eating establishment” will be as financially prohibitive to the entry level entrepreneur as the current cost of purchasing a seasoned liquor license here in Boise. With the current system there is, at least, an option to acquire an affordable license with the freedom to open the establishment style of your choice. This is particularly concerning to me directly, and I am certain many other people who are currently on the liquor license waiting list.
Restriction of Freedom of Future Growth: I understand the intent of this bill is to still allow for liquor only bars to come and go by grandfathering in the current transferable state liquor licenses. However, over time these licenses will dwindle through revocations, failure to renew, inability to transfer and place a license within 90 days if a business closes, etc.** Growth is going to continue to explode for the foreseeable future in Idaho, and Boise in particular. Quantity of state liquor licenses and growth will be on opposite trajectories leading eventually, to a very bland, overly restauranted state. While the short term effect may well lower the value of the current state licenses**, they will still be prohibitively expensive to entry level entrepreneurs and in time they will be just as, if not more expensive than they are today. This will leave anyone at the entry level in a worse position than they would be in with the current system because there is no affordable option as there is today.

In summary, please do not support Senate Bill S1332 as it is written. There still needs to be a third option which would allow the “little guy” to enter into business without the prohibitive expense of purchasing a “legacy license” or investing in the unnecessary and high dollar expense of a full restaurant. I’ve attached some ideas to a possible solution and would welcome the opportunity to discuss these ideas with anyone on the committee at your convenience.**

Sincerely,

Joe Ostermiller

Attachments:
[Research and Rationale in Opposition to S1040]
[Possible Solution]
RESEARCH AND RATIONALE IN OPPOSITION TO S1040

Effect of S1040 on value of current licenses:

Short Term:
- Fair Market Value (FMV) of existing state liquor licenses will find a level point
  - Estimate: $50,000 (+/- $5,000)
    - Factors used to determine this level FMV:
      - Today’s FMV for transfer of state liquor license in 31 municipalities in which licenses are transferred on a regular basis
        - (Data provided by ISP Alcohol Beverage Control)
      - An assumption of $10,000 FMV for the remaining 126 Idaho municipalities with active state licenses that ABC does not maintain current FMV for transfer of state liquor licenses data on
    - Other unknown factors not used in this FMV estimate:
      - The number of small town license holders who will use the increased license value as an opportunity to sell/transfer due to the geographic restriction on state licenses being lifted (23-904)
        - This will further lower the FMV of state licenses
        - Will lead to a potential massive reduction of social gathering places in small communities
      - Number of restaurant owners and current state license holders across the state who will choose to sell their license and convert to a municipal license as way to make some easy money
        - This will further lower the FMV of state licenses
      - Nearly all leased state licenses will go up for sale when their lease term is met. Assuming most leased state licenses are leased by restaurants:
        - There is zero incentive for the restaurant owner to continue leasing. Therefore, they will terminate the lease agreement and obtain a municipal license adding more state licenses into the supply further lowering the FMV of state licenses
    - Calculation to determine $50,000 FMV estimate:
      - Median average of the FMV of every individual license in the state using the data provided by ISP/ABC and the assumption of $10,000 for every other license
Effect of S1040 on value of current licenses continued:

Long Term:
• Supply of state liquor license will dwindle over time to nothing
  • Causes:
    • There are many completely appropriate ways for a state license to be permanently lost from the system:
      • 23-617 - Administrative penalties for serving to persons under 21 or intoxicated persons
        • Revocation after multiple offenses
      • 23-915 - Persons not qualified to be licensed
        • Subsection 6 - Any licensee disqualified by 23-915 shall have license revoked
      • 23-921 - Suspension, revocation and refusal to renew licenses
        • Gives director authority to suspend, revoke or refusal renewal
      • 23-921A - Suspension/Revocation for violation of obscenity laws
      • 23-925 - Illegal Liquor
        • Inability to “place” a license within 90 days if a business closes for any reason
          • I believe this will be a very common cause of licenses being lost as the demand will plummet in the short term
  • THERE IS NO MENTION WHATSOEVER of any means to maintain the number of state liquor licenses
• Effects:
  • A basic understanding of supply and demand and a dash of common sense clearly shows that over time, values will rise again, quite possibly to the same levels they are today or even significantly higher
  • Small towns will lose businesses and social gathering establishments because bar owners will see the value in their licenses and sell them to the larger cities where the demand lies. This may well happen in the short term as well.
  • Cocktail bars, night clubs, and other food-less social venues will dwindle to nearly nothing
  • Idaho will be flooded with mediocre restaurants that have no character
Effect of S1040 on value of current licenses continued:

Insufficient remedy to loss of value of licenses currently valued over $50,000:
• 10% Discount on liquor to state license holders (23-217) is insufficient
  • If state license values drop to $50,000 (median average of today’s FMV calculated as explained above) and using Boise as an example: (Boise liquor license FMV = $176,000)
    • $100,000 annual purchase of liquor will take 24 years to earn back lost value
    • $85,000 annual purchase of liquor will take 28 years to earn back lost value
    • $75,000 annual purchase of liquor will take 35 years to earn back lost value
  • Boise liquor license FMV data provide by ISP/ABC
  • Annual liquor purchase amount is based off of three popular downtown Boise cocktail bars that primarily focus on cocktails, not food.
    • Data provided by the Idaho State Liquor Division

Impediments to entry level entrepreneurs created by S1040:

No affordable option to enter into the market:
• Currently - two options to obtain liquor license:
  • NOT AFFORDABLE: Purchase/transfer an established license
  • AFFORDABLE: Wait on the list for a $750 license
• If S1040 passes - two options to obtain a liquor license:
  • NOT AFFORDABLE: Purchase/transfer an established license
    • Despite the fact that the FMV off state licenses will level out, $50,000 is still prohibitive to many aspiring entrepreneurs
  • NOT AFFORDABLE: Open a restaurant
    • Requirement of restaurant (23-902) impedes entry level entrepreneurs
      • Start-up costs of a new restaurant is very high
        • Cost of a basic, entry level 150 sq. ft. kitchen: $50,000+
          • Required type 1 hood: $24,000 of total kitchen cost
          • Installation of equipment: $2,500+
        • Cost of additional square footage (150 sq.ft.):
          • $3,000/year
        • Cost of kitchen staff:
          • Chef: $50,000/year
          • Additional kitchen staff: $50,000/year
        • Many other expenses:
          • Plates, glasses, silverware
          • Cooking utensils, pots and pans
          • Food stock
          • Etc.
  • NO AFFORDABLE OPTION to enter into the industry
Possible Solution

**Issue two types of municipal licenses:**
- **Class 2:**
  - Restricts use of license to “eating establishments” and “lodging facilities” as it is currently written in S1040
  - Increase application fee to $750 in all municipalities
  - Reduce renewal fee to $2,500 in all municipalities
  - Otherwise remains the same as what is written in in S1040 for municipal licenses

- **Class 1:**
  - Allows for a more broad use of the license to include liquor only cocktail bars and night clubs while somewhat maintaining S1040’s intent of limiting these types of establishments
  - Application fee to $5,000
  - Renewal fee to be $3,500
  - Two year wait period to attain new Class 1 license
  - Non-transferable
  - No quota

**Original Applicant License Holders:**
All current state licenses that are held by the original applicants (i.e. they only spend the initial application fee for their license) will automatically be converted to municipal licenses. The owners of the license will have the option as to whether they convert to a Class 1 or Class 2 license. Upon their next renewal date, the owner of the license will pay the balance of the new application fee minus the original fee that they paid when issued their license. Subsequent years would be the standard renewal fee.

- **Example 1** - An original state license holder (using Boise as an example) chooses to convert to a Class 2 license:
  - New application fee of $750 - original $750 fee paid = $0 due at next renewal date
    - Shows good will toward current state license holders
  - Subsequent years renewal fee will be $2,500 annually

- **Example 2** - An original state license holder (using Boise as an example) chooses to convert to a Class 1 license:
  - New application fee of $5,000 - original $750 fee paid = $4,250 due at next renewal date
  - Subsequent years renewal fee will be $3,500 annually
Purchase/Transfer License Holders:
Current state licenses that are held by owners who purchased a transferred license will maintain a “legacy license” for a set period (15 years seems to work well). During this period, the state will provide the license holder with an annual “reimbursement” for the loss of their initial investment caused by the current state quota system, up to a maximum of 75% of their initial investment in the purchase/transfer of their license. This reimbursement will be in the form of a 15% discount on liquor purchases and renewal fee waivers over the 15 year term only. These “legacy licenses” will automatically convert to municipal licenses, when 75% “reimbursement” of an individual license transfer/purchase price has been attained, OR at the end of the 15 year “reimbursement period”. When one of the aforementioned criteria are met, the 15% discount will cease, and renewal fees will begin. The owner of the license will have the option as to whether they will convert to Class 1 or Class 2 municipal license.

- Example 1 - A state license holder who purchases $75,000 worth of liquor annually and (using Boise as an example) paid $175,000 for their license:
  - Will take 9 years to be “reimbursed” for 75% of their $175,000 purchase/transfer investment
    - 75% of their transfer/purchase price = $131,250
    - 15% discount on annual liquor sales = $11,250 annually
    - Renewal fee waiver = $3,500 annually (for the 9 years it takes to reimburse to 75%)
  - In this example, this license holder attains 75% reimbursement prior to the end of the 15 year term
    - License would automatically be converted the a Class 1 or Class 2 municipal license as per the option of the license holder
    - 15% discount would cease
    - Annual renewal fees applicable to the license class chosen by the license holder would take effect at next renewal

- Example 2 - A state license holder who purchases $25,000 worth of liquor annually and (using Boise as an example) paid $175,000 for their license:
  - Will not quite make full 75% “reimbursement” of their $175,000 purchase/transfer investment
    - 75% of their license transfer/purchase price = $131,250
    - 15% discount on annual liquor sales = $3,750 annually
    - Renewal fee waiver = $3,500 annually (for the full 15 year reimbursement term)
  - In this example, the license holder would not reach the full 75% “reimbursement” of their initial $175,000 investment.
    - Amount “reimbursed” at the end of the 15 year term would be $108,750
    - At the end of the 15 year term:
      - License would automatically be converted the a Class 1 or Class 2 municipal license as per the option of the license holder
      - 15% discount would cease
      - Annual renewal fees applicable to the license class chosen by the license holder would take effect at next renewal

- Note: There are only 8 municipalities which have a FMV estimated over $100,000 meaning that the number of purchase/transfer license holders who will not attain 75% reimbursement should be quite low
Analysis of proposed solution effect on stakeholders:

Entry Level Entrepreneurs (to include those individuals who have put their time in on the priority waiting list):
• Allows an affordable option for entry into the industry
• Does not restrict freedom to open the establishment style of their choosing

Original Applicant State License Holders:
• Because original applicant state license holders have no additional expense beyond the original application fee invested in their license, they lose out on nothing by converting to a municipal license

Transfer/Purchase State License Holders:
• Most transfer/purchase state license holders should be able to attain 75% reimbursement on their transfer/purchase investment
  • This group is the only one who loses out at all, however the vast majority of these license holders should have established and stable businesses which can absorb this 25% loss
  • It is worth noting again that only 8 cities have licenses with a FMV over $100,000

State of Idaho:
• The initial loss from the 15% liquor discount offered to “legacy license” holders during the 15 year reimbursement period will be more than absorbed by offering no discount to municipal license holders
• The increased application and license renewal fees will also help to offset the 15% loss from liquor sales and will also ensure funding for any programs that $1040 originally intends to fund
• After the 15 year reimbursement period, there will be no discounts offered on liquor, no renewal fee waivers, and new application fees will will provide more funds for the state to do good things with
• After the 15 year reimbursement period, the system will be standardized and simplified
  • While there will still be Class 1 and Class 2 licenses, they will have minimal administrative differences and the authority will be solely in the hands of the cities and counties
• The state will avoid repeating the same problem the current quota system created as state licenses are lost and supply drops

Citizens of Idaho:
• Small towns will not lose their social gathering places
• Future entrepreneurs will not be tethered by restrictive limitations of the use of municipal licenses
• Idaho will not be flooded over time with nothing but restaurants that serve liquor
• The craft cocktail movement is still in full effect, and Idaho residents can still enjoy the economic impacts as well as tasting a culinary art that has been fully revived from the pre-prohibition era
  • Idaho has missed the boat to some degree due to the limitations of the current system
  • This proposal would allow Idaho to catch up and take part in this movement
TO: MEMBERS OF THE SENATE STATE AFFAIRS COMMITTEE

Re: Senate Bill 1040

Honorable Senator:

The fiscal impact of Senate Bill 1040 is impossible to calculate. Will sales increase, driving up sales tax, liquor sales from the dispensary and beer and wine distributors? Why would sales outstrip the general increase in drinking population? Anybody can get a drink easily now. So, how does one justify the loss of equity and goodwill that would be suffered by current licenses? Assume that the business value including license for the average bar is what, at fair market value? The license average must be over $100,000. The business itself would be one and a half (1.5) times annual gross sales to three (3) times annual gross sales. Take an average statewide of business value of $400,000 times 1200 licensee businesses, more or less. That is $480,000,000, half a billion dollars. For perspective, the FY2018 State Budget was $3.65 billion. Based on what fiscal impact statement does it make sense to strip that value from Idaho businesses and families?

The argument will be that current licensees could move their license to other Cities or in the County. Imagine the Boise City Counsel allowing licenses from every small town in Idaho where there is no business. How many licenses can a market use?

Will a small reduction of 5% in the dispensary cost of purchase for liquor compensate the licensees? It is believed not.

Other than the many issues involving the unfairness and bad faith of government agreeing to and implementing a regulatory scheme, collecting fees and revenues from the liquor regulatory system, promoting investment by its citizens and then abandoning the model and promoting more competition unfairly, resulting in grave disruption to the marketplace and the system of governance at play for 65 years, while leaving grave unknowns to be exploited against the citizens, there are
Members of the Senate State Affairs Committee  
Re: Senate Bill 1040  
February 11, 2019  
Page 2

compelling legal arguments involving what kind of society was designed by the people through the State Constitution and what values were demanded adhered to by its elected officials.

Art. III of the State Constitution. Sec. 1 grants legislative authority to the Legislature, not to Cities or Counties. Senate Bill 1040 provides that Cities and Counties shall have the “same” powers over alcohol as the state. This eliminates the supremacy of the State and abdicates the Legislature’s responsibility to enforce the Constitutional mandate of Sec. 24, which makes it “The FIRST CONCERN of all good government is the virtue and sobriety of the people, and the purity of the home. The LEGISLATURE should further all wise and well directed efforts for the promotion of temperance and morality.” Any responsible legislator must make this the highest priority as a matter of public policy. AN OPINION SHOULD BE SOUGHT FROM THE ATTORNEY GENERAL AS TO WHETHER THE BILL IS UNCONSTITUTIONAL AS AN UNLAWFUL DELEGATION OF POWER FROM THE LEGISLATURE TO THE COUNTIES AND CITIES. Sec. 25 prescribes the duties sworn to by each Legislator to “faithfully discharge the duties “ prescribed. The highest duty is described in the Constitution.

Senate Bill 1040 is remarkably complicated and confusing. There are many questions. If the intention is to give restaurants liquor licenses, a simple measure could be pursued, though that concept is unfair to current licensees and only promotes special interests of those who want to get into the retail liquor sales marketplace with minimal cost and regulation. Under the present proposal, chaos would ensue. Ask ABC. Since Territorial times, Idaho citizens have had statutes to regulate the sale of alcohol, embodied in the State Constitution by the State’s founders. It is put at risk haphazardly and irresponsibly, practically overnight, without careful review and comment by those familiar with the laws, (law enforcement), and by the Legislators themselves. Who has carefully read and sought counsel on Senate Bill 1040 and its ramifications? Another “study group” appointed by the Governor or the Legislature, as in the past, would likely be authorized with a select group of “shareholders,” comprised of the hotels, restaurants, chamber of commerce, IACL, commercial real estate interests and those wanting to extend commercial activities selling alcohol from the purview and supervision of the Cities to the Counties.

The Idaho Supreme Court might well view unfavorably the delegation of authority to the county commissioners or city councils, which the Constitution so clearly intended to be the exclusive province of the Legislature in Sec. 26.

Please see the attached Technical Analysis.

Respectfully Submitted,

[Signature]

Brian Donesley
P.4. **Section 1. 23-217**
Five (5%) discount from the dispensary, not ten (10%).

P.5. **Section 2**
The first violation of sale to a minor is not a mandatory penalty. Subsequent violations are mandatory penalties. Also, (2) Gives the mayor discretion as the “responsible authority” to impose fines. What due process?

P.5 **Section 3**
Minors must “knowingly” misrepresent age to be guilty of an infraction or subsequent misdemeanor.

P.6. **Section 4**
“Interdicted” minors are allowed in a restaurant, eating establishment or lodging facility or any place where there is a bar, if the bar, described as “place,” is separated.

“Theater” presenting a “live performance” may invite minors. But, the definition of “theater” references where artful events occur, which could include sexual content. See P.12, 23-604(8). Also, the definition for “live performances” is deleted. See P.11, 23-902(10).

Any brewery or winery, without food, may be attended by minors, without limitations. Likewise any person licensed to sell wine at retail, if the wine is sold by a licensed winery selling only its own product. These exceptions swallow the rule that minors are not allowed in a “place,” which is where liquor, beer or wine is kept, prepared and served.

P.7. **Section 5. 23-605**
Eliminated are the words “intoxicated or apparently” intoxicated, substituted with “obviously intoxicated”. A person actually intoxicated, or who appears to be intoxicated, are no longer referenced. The burden is made more difficult for enforcement, requiring that a person “obviously” be intoxicated for prosecution. What if a person is actually intoxicated, goes out onto the highway, causes harm and is subsequently determined to have been served in a licensed premise, and nobody had noticed that he/she was drunk? This loosens the standard of proof required by the State.
P.8. Section 6
Strict liability is provided for selling to a person under 21 years of age, without consideration for the possibility of fake identification.

Again, the words actually, “apparently or obviously intoxicated” are deleted. It is here that the “actually” issue arises. See above Section 5.

The restriction for sale to and “interdicted person” remains. But the definition is deleted at P.11, 23-902(6).

The penalties provided to a person under the age of 21 years who “knowingly misrepresents”. Can it not be assumed that the underage person knows his/her age?

P.8. Section 7. 23-617
If “all of the licensees employees” are server trained, then there is a schedule requiring a “written warning” for the first two (2) violations. Only upon the third violation is there an administrative fine. Why remove the discretion for administrative penalties and lighten the responsibility of the licensee?

P.9. Section 8
How does this proposal “further regulate and control the sale and distribution within the State of alcoholic beverages”.... and serve to “ensure the entire control of the sale of liquor”? What authority is there for the Legislature to delegate its responsibilities to City councils and County commissions, pursuant to Article III, §§ 24 and 26 of the Idaho State Constitution, which requires the protection, health, welfare and safety of the people of the State of Idaho...for the purpose of promoting and encouraging temperance in the use of alcoholic beverages within the State of Idaho?

P10. Section 9
The definition of “Eating establishment” is vague. All that is required is a hood and equipment “capable of cooking complete meals” served “during the time” the establishment is open. Does this mean part of the time? All of the time?

Exclusions for luncheonettes, etc. are lumped in with “other similar uses” as not meeting the requirements.

The term “Interdicted person” is deleted.
The term “Live performance” is deleted. Refer above.

The term “Lodging facility” only requires overnight accommodations available to the general public. This would appear to apply to any overnight lodging, i.e. VRBO.

“Rules” may be promulgated by the director or by the City or County. Contradiction and confusion are inevitable.

The term “Theater” references “an art form,” opening the door to First Amendment issues allowing minors to be upon the premises of such theater where liquor is sold.

The term “winery” requires only bottling of wine, and more than one (1) winery may be upon the same premises upon which minors may be allowed. This would allow an enterprising “winery” operator to buy wine in bulk, bottle it and sell it upon its establishment where children will be allowed to be present, essentially a “place” in which minors are otherwise not allowed.

P.12. Section 11

Again, a restriction on sales is limited to a person “obviously” intoxicated.

P.13. Section 12

So called “grandfather rights” purport to make State liquor licenses “freely transferrable throughout the State of Idaho wherever liquor by drink establishments are allowed.” But Cities may not agree to have State licenses in their city, regulated pursuant to rulemaking requirements by the director, without being subject to City or County regulation. What conflicts shall arise? Cities and Counties are granted the “same” authority regarding regulation of so called “municipal licenses.” State licenses from small towns may be sought to be transferred into more lucrative markets.

State licenses are subject to a much lesser annual fee payable to the State than are municipal licenses. Would State licenses be subject to license fees by both the State and a City or County?

P.13. Section 13. 23-905

Cities and Counties are authorized to issue licenses to “eating establishments and lodging facilities.” The Legislature allocates rule making authority to Cities and Counties by ordinance “consistent with State Law.” Required is “fair administration.” There is no reference to the Idaho Administrative Procedures Act or any other due process procedural provisions.
P.13. **Section 14. 23-906**
A City or County has 60 days to hold an election up to the effective date of the Act. Default is to allow the sale of liquor in any city or county which does not timely conduct such election.

P.15. **Section 19. 23-910**
A State beer license is required to apply for a City license for the sale of liquor by the drink.

P.15. **Section 20. 23-911**
The City or County may do an investigation of any applicant. Any “false statement” is a felony. There’s no reference to a knowledge requirement with respect to any such false statement to be a criminal act.

P.17. **Section 22. 23-913**
City councils and County commissioners may set initial license fees “not less than $3,000” per year. For State licenses, the license fees are substantially less and are capped at $750. There is no cap on City and County license fees. Resorts pay $25,000 as a one (1) time fee with renewals of $3,500 per year. The license fees for State licenses have not been increased.

P.20. **Section 26. 23-918**
Manufacturers, wholesalers and their financially interested parties “may hold an interest in a license premises,” if the showing is made with respect to food on premises. This violates the traditional separation between manufacturers, wholesalers and retailers, originated in the Federal Alcohol Act after Prohibition as the “three-tiered system.” The purpose was to keep the market from becoming vertically integrated, as it was during Prohibition under the Mob.

It serves the purpose of preserving the integrity of the system and the accountability for the various participants at the various levels within the manufacturing and distribution and sale of liquor.

P.22. **Section 29. 23-921**
Unlike City and County licenses, State administrative suspensions, revocations or refusals for State liquor licenses only are required to comply with the State Administrative Procedures Act.

P.23 **Section 30. 23-921A**
“Obscenity” upon a licensed premise requires a six (6) month suspension by “the director.” Does this apply to City and County licenses? Or is “obscenity” to be allowed in city and county licensed premises?
Reference is to “liquor, excluding wine and beer” sold in State liquor stores. Does “liquor,” otherwise undefined, include wine or beer? This is contradictory, and there is no clear definition of “liquor” in the proposal.

Section 47. 23-1304A
The elections reauthorize the sale of alcoholic beverages including liquor by the drink within Counties.

Takings
No person other than the licensee may exercise any of the privileges under a liquor license other than the licensee. Hence, that a liquor license is a “mere privilege.” The Idaho courts have reached that conclusion in cases, though the issue has not been fully litigated under good facts, i.e. a class action by current licensees of a change of law depriving them of their property interests in the licenses and/or their occupations, both of which implicate liberty and property interests under the First and Fourteenth Amendments to the US Constitution. US Supreme Court cases have held that government and citizens enter into contractual agreements where the citizens rely upon assurances from the government, essentially an estoppel or quasi-contract analysis of property rights.

The US Supreme Court has ruled that one’s occupation/business must be totally destroyed, made totally infeasible, not just damaged, to sustain a takings argument against the government. This is firmly the law in zonings cases, where, for example, eminent domain is exercised by the government. Here, there are strong prevailing public policy expressly stated that would draw into question the public good served by the government actions, as well as challenges to unlawful delegation by the Legislature (Art. III of the Idaho Constitution) to so-called “municipalities”, of which counties are not and cities are by statute only. This is very suspect constitutionally. Cities only exist as corporate entities under statute, while Counties are separate, constitutional entities. I argue that the delegation is illegal and an abrogation of Legislative duties in violation of the state public policies and basic governmental duties under the Constitution.

Respectfully Submitted

Brian Donesley
February 11, 2019
FEBRUARY 11, 2019

S 1040

COPIES OF WRITTEN TESTIMONIES

ATTACHMENT 2
Points to make in opposing SB 1040, relating to alcohol.

February 10, 2019
Submitted by Stan Boyd, Owner
The Refuge Restaurant and Lounge
404 E. Parkcenter Blvd., Boise, ID 83706

- Current system promotes “stability”. Rules and regulations are administered statewide and enforced by the Idaho State Police in a uniform manner.

- This legislation would allow all 201 incorporated cities, and Idaho’s 44 counties, to put in place varying regulations. Well over half of Idaho’s towns and cities do not have their own police departments. It would be incumbent on the County Sheriff to enforce these varying municipal regulations.

- In visiting with ISP Alcohol and Beverage Control this past week, they reported there are 90 municipalities that have alcohol licenses available right now. No waiting period. Simply fill out the application, pay the appropriate fees, get fingerprinted and pass the back ground check, and the license is yours to operate.

- Because the license has substantial value in some Idaho municipalities, special attention is provided to make sure there are no violations. All our servers are required to take and pass the “Tips” (Training for Intervention Procedures) server certification. We welcome inspection by ISP Alcohol and Beverage Control officers.
Several businesses in Idaho that serve alcohol have borrowed the funds to purchase a liquor license and are now making monthly payments. If this legislation should be signed into law, it is probable that the value of those licenses will be drastically reduced. This will be an unfair economic hardship on those businesses that simply followed Idaho law.

- Article III, Section 24, of the Idaho Constitution states “The first concern of all good government is the virtue and sobriety of the people, and the purity of the home. The legislature should further all wise and well directed efforts for the promotion of temperance and morality”. I believe SB 1040 does not further this concept.
Twyla Melton

From: Double Diamond Saloon <DoubleDiamondBar@hotmail.com>
Sent: Monday, February 11, 2019 7:49 AM
To: Twyla Melton; Senator Patti Anne Lodge; Senator Mark Harris
Cc: Senator Abby Lee
Subject: SB 1040

February 8, 2019

Regards; Hearing Monday February 11, 2019 8:00 am SB 1040

Attention:

State Affairs Committee
Chair; Senator Patti Anne Lodge
Vice Chair; Senator Mark Harris
Senator Brent Hill
Senator Chuck Winder
Senator Steve Vick
Senator Kelly Arthur Anthon
Senator Mary Souza
Senator Michelle Stennett
Senator Cherie Buckner-Webb

District 9 Senator Abby Lee

I urge you to vote NO on SB 1040.

Expanding the access to liquor licenses in Idaho would have significant detrimental effects on our society and I am not convinced would offer any positive impact with respect to economic development. Studies and past experiences of States that have changed their once quota system have found NO impact on economic development by expanding the availability of liquor licenses.

Business owners with current licenses take their responsibilities to their community very seriously. Current license holders paid handsomely for the right to have a liquor license and protect that license every time they open for business. Reducing this privilege and allowing local cities/counties would diminish not only the value of the license but the level of responsibility.

Many of Idaho’s counties have limited enforcement resources as it is, and would not have the staff or financial resources to support any increase in the consumption of liquor. I know from experience that the City of Riggins for example has almost NO support services with respect to law enforcement.

From my experience Idaho’s current quota system has proven effective. Rules, laws, fees and qualifications to obtain a liquor license have been efficient and fair. Changing the current system would devalue the entire industry and the businesses currently licensed. I urge you to vote NO on SB 1040.

Regards,
Robin Cusma
Owner
Double Diamond Steakhouse and Saloon
127 N Plymouth Ave, New Plymouth ID
To: 2019 State Affairs committee
Re: Senate Bill 1040
Prepared February 8, 2019
Sent via email: sstaf@senate.idaho.gov

Madam Chair and Honorable committee members.

Thank you for allowing my thoughts and insights on Senate Bill 1040. My name is Lee Tolley, I am a native Idahoan, I currently reside in Coeur ‘Alene, I own two business of which both require licensing. I apologize for not being physically present and will commit to do so in the future if warranted.

It appears most everyone agrees the current procedure of issuing licenses is being abused, allowing profiteering without any intention of opening a legitimate business. One plan may include following the food licensing requirements, which requires complete facility and sales plans. I would also suggest the value of a license fee be based on the market values in the area being issued. This would maintain the stable quota system while increasing revenue for the state.

I also support the server training and certification program which will promote quality employees and assist in the safety of the public.

The portion of the bill flooding the markets with unlimited licenses will be a disaster for the state. If this bill were adopted I personally would lose hundreds of thousands of dollars due to the lowering market value of my business. Adoption will limit my ability for bank assistance and a future sale if desired. When deciding to purchase my business the value of the license played a large part in the decision. I felt the value of the license was worth the purchase and have run a successful business. The suggestion an additional 5% discount on products fall short in the attempt to offset the lowered market value, I estimate it would take a minimum of 25 years to break even. The value of a license is an important incentive to follow all laws and regulations. If the market is flooded with low cost licenses, owners will have less incentive adhere to the laws, costing significant
amount of the authority’s time, resources and public safety. This bill also excludes new business specifically bars and night clubs from opening without an existing license.

The Mission of the Idaho State Liquor Division (ISLD) includes control over consumption of distilled spirits; curtail intemperate use of beverage alcohol. Governor Otter added “… focused on preventing the harm caused by irresponsible and underage drinking.” If a proven stable quota system is replaced and unlimited licenses are allowed a reasonable person can concluded an increase in underage consumption, crimes, domestic issues, DUI’s to name a few. Are we willing to chance the safety of the citizens because a few want to bypass the current stable system hurting existing licensees and the state.

Finally the statement this bill will have no fiscal impact is not acknowledging the great costs involved with unlimited licenses. The immediate revenue loss will be from transfer fees. According to Kelsey Woodward of the Alcohol Beverage Control the fees generate about $500,000.00 annually for Boise alone. In addition the state and local authorities are not currently equipped for a flood of licenses. Also the state run liquor stores will be overwhelmed by the onslaught of orders. Law enforcement, judicial, emergency medical, state and local administration will add costs which have not been budgeted for.

Thank you for your valuable time on this issue. I respectfully ask you not to replace a stable and proven quota system and vote no on Senate Bill 1040.

Lee H. Tolley
Twyla Melton

From: Sean Coletti <scoletti@ci.ammon.id.us>
Sent: Thursday, January 31, 2019 9:19 PM
To: Twyla Melton; Senator Patti Anne Lodge; Senator Mark Harris; Senator Brent Hill; Senator Chuck Winder; Senator Steve Vick; Senator Kelly Anthon; Senator Mary Souza; Senator Michelle Stennett; Senator Cherie Buckner-Webb
Subject: Senate Bill No. 1040

Dear Members of the State Affairs Committee,

I am writing in strong support for Senate Bill 1040, which smartly de-regulates the liquor license monopoly system. This bill sends the decision-making power for issuance of liquor licenses back to where it really should be—to the cities and counties.

Cities already issue beer and wine licenses, and do so effectively. I can attest that cities know what entities should be issued beer and wine licenses, and they know where these licenses should be used in the city. That is largely because cities plan for their future. Liquor licenses should not be treated differently than beer and wine sales licenses.

Our state should encourage and support government at the most local levels. It should also support more market-driven business practices. The current liquor license system is a relic of the past and is anti-competitive. It doesn’t work, and it should be overhauled.

A liquor license is just that—a license. And a license is not a property right. There is no better time to reform this inequitable system than now. It will only get worse the longer it is allowed to exist.

Cities and counties can self-regulate under Senator Rice’s wisely-proposed legislation. I urge you to send Senate Bill No. 1040 to the full Senate with a do-pass recommendation.

Thank you for your service to our State.

Sincerely,

Sean Coletti

---

Sean J. Coletti
Mayor | City of Ammon
P: (208) 612-4007
M:
E: scoletti@ci.ammon.id.us
2135 S. Ammon Rd.
Ammon, ID 83406
www.cityofammon.us
2/7/19

Rod and Melinda Nielsen
1004 Evergreen Drive
McCall, Idaho 83638

Dear Legislators,

As long time business owners and Idaho State Liquor License holders, we oppose proposed SB1040.

In 1989, our purchase from the State of this license enabled us to expand our business and meet community needs for responsible dining and beverage services. It took planning, saving, and waiting for this license over a ten year period when, eventually, we purchased a license at a price set by the State. It may not be the best way for new businesses, but it is the States responsibility to follow the Constitution and we accept that.

We have been good guardians for the State, paying our dues, voluntarily training our staff and monitoring customer consumption. After 40 yrs., we plan on retiring and selling this to someone who, like us, follows the rules of the State and believes in a system that is fair.

What’s not fair is changing the rules and regulations that have been in existence since 1934, undermining those that have been playing by the State’s rules for over 84 years. Quota system has created a stable economic and socially sound community thus a positive factor for economic development; licensees know the value of the quota license therefore protect the license by adhering to rules, regulations and public image.

We don’t feel it’s a privilege, as much as an agreement we have with the State that should be upheld. SB1040 will devalue our license and all others the State has made agreements with. It opens up licenses without State control and conceivably leaves the State in a defenseless situation when serious offensives arise.

Our small business concerns are vital to us; we ask for your consideration in rejecting this proposal and continue work on improving the current system.

Sincerely,

Rod and Melinda Nielsen
Si Bueno Inc.
McCall, Idaho

Following are concerns, questions, and justifications for rejecting SB1040:

- SB1040 has many NEW SECTIONS, and changes, among them, setting pricing guidelines for cities and raising catering permit fees.
  - SECTION 19/23-910: Does the $400 non-refundable fee go to the State or entity issuing license? **Statement of purpose states no fiscal impact on General Fund saying license fee for municipal licenses to cities and counties will defray the cost? Where are the facts and figures to support this?**
  - SECTION 22/23-913: Each city and county can make up their own rules, regulations and costs for the "eating establishment" licenses which will mean different rules and regulation from one county/city to the other. Where does the $3000 min. figure come from? Why not set this at 50% of current market value, as what these special licenses do is give restaurants exactly the same permission to serve alcohol, with the same rules and regulations exempting them only from transferring/selling license?
  - Raising Catering Permit Fees 50%; if this is needed, shouldn't it be done aside from a Bill? While the amount isn't objectionable, is it also being considered a tool to offset fiscal impact?

- **What we don't see are restricting these licenses:**
  - to restaurants with no physical bars or adding bars on
  - mention of being site specific; on premise only, not OFF PREMISE
  - No more than one business sharing license on the same property

- Controlling 'restaurant' classification can be a nightmare; grocery stores such as Whole Foods have restaurants in them, gas stations, convenience stores, on and on. Do we really want people to be able to casually have a cocktail while filling up on gas or buying groceries and then get in their vehicle?

- Idaho State Constitution. Article III, Section 24, Section 25, Section 26 that states clearly the State of Idaho is responsible for Promotion of Temperance and Morality (24), the members of the legislature shall swear to support and uphold the constitution of the US and Idaho State Constitution (25) and the legislature shall have full power and authority over intoxicating liquors (26). Where in the Constitution of the State of Idaho does it say the legislature will assign these responsibilities to a "lower court" called a city and county, especially for the wishes/political pressure of any special interest group?

- Opening up licensing to restaurants isn't economic growth, it's creating severe problems with enforcement and liabilities. It's definitely not representative in promoting temperance and morality.

- Dismantling the Quota System to create or deny "eating establishment" liquor outlets as decided by a group at the county and city level is not a stable factor in promoting economic development. Selling a license anywhere in the State doesn't guarantee the city or county will allow it to be used, again devaluing grandfathered licenses.

- With these special licenses, who would want to pay for a Quota State License? This limits future sales of current licenses to bars and taverns only, which means more bars
across the state, more problems, more enforcement and expense on already financially stressed cities and counties.
  o More bars means more liquor related problems i.e. DUI's.
  o More DUI's means more potential deaths.
  o More alcohol related incidents i.e. domestic violence, over service, under aged drinking.
  o Heavier burden on local law enforcement financially and physically (more officers - where's the income to pay for added expense - who's paying for that?)
  o Financial burdens on counties and municipalities (more personnel to manage or oversee. Local support for increased taxes won't fly.
  o Loss of accountability by the State – State will still be held responsible!

- Right now with Specialty licenses and Quota Licenses, most cities are closer to 1 license per 750-1000 people. Granted, with our huge population increase, economic growth follows, however, keeping quotas allows guidelines for cities and counties to abide by and offers the State a tool for increasing or decreasing quotas to accommodate. In McCall, there is a license for every 300 people currently; even with our peak tourist times, adding more will be irresponsible governing.
- Idaho's Liquor Quota System is socially sound, constitutionally responsible stewardship partnered with economic development. Anyone that fits the regulation profile can apply for a license and/or buy/lease as over a 1,000 people across the State have managed to do.
February 8, 2019

TO: Senate State Affairs Committee

FROM: Mayor Hyrum Johnson, City of Driggs
       Council President Ralph Mossman, City of Driggs

RE: Support for Senate Bill 1040 on Liquor Licensing

We appreciate this opportunity to offer our support for Senate Bill 1040, which would make important changes to Idaho laws governing licenses for sale of liquor-by-the-drink. We respectfully ask that you vote to send SB 1040 to the floor with a “do pass” recommendation.

For the last decade, representatives from the City of Driggs have advocated for changing Idaho’s antiquated liquor licensing system for two reasons: economic development and safety.

Allowing our local restaurants to serve cocktails to the tourists who come to our community every year will better meet the needs of our visitors and ensure they have the best possible dining experience. Driggs is competing with resort communities in other states and needs every tool at its disposal to ensure that its visitors have the best possible experience and want to return.

From a safety perspective, serving cocktails with dinner is a much better option than people drinking in a bar with limited food availability. It is also preferable if people drink at a restaurant or hotel that is close enough to their lodging so that they do not have to drive.

The current liquor-by-the-drink population quota system creates problems for resort communities that see large seasonal influxes of visitors that far exceed their year-round population that is used to determine the number of liquor licenses.

We believe that SB 1040 is an important step forward in strengthening Idaho’s liquor licensing laws. We appreciate your consideration of this important policy issue and respectfully ask that you support SB 1040.
<table>
<thead>
<tr>
<th>RS26833</th>
<th>RELATING TO THE REVISED UNIFORM LAW regarding electronic records related to remote notarization.</th>
<th>Chad Houck, Deputy Secretary, Idaho Secretary of State Office</th>
</tr>
</thead>
<tbody>
<tr>
<td>RS26495</td>
<td>RELATING TO CODIFIER’S CORRECTIONS to make various codifier corrections and technical corrections to Idaho Code.</td>
<td>Katharine Garrity</td>
</tr>
<tr>
<td>RS26843</td>
<td>RELATING TO CAMPAIGN FINANCE REPORTS to amend Section 67-6601, Idaho Code.</td>
<td>Chairwoman Lodge</td>
</tr>
<tr>
<td>RS26844</td>
<td>RELATING TO CAMPAIGN FINANCE to revise definitions and define terms and to amend Section 67-6602, 6611, 6628, 6606, and 6621, Idaho Code.</td>
<td>Chairwoman Lodge</td>
</tr>
<tr>
<td>MINUTES APPROVAL:</td>
<td>Approval of minutes of February 18, 2019</td>
<td>Vice Chairman Harris and Senator Buckner-Webb</td>
</tr>
<tr>
<td>GRADUATION OF PAGE:</td>
<td>Graduation of Brigham Chelson as Page for the Senate State Affairs Committee for the First Half of the 1st Regular Session of the 65th Idaho Legislature.</td>
<td>Chairwoman Lodge</td>
</tr>
</tbody>
</table>

*If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.*
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Wednesday, February 13, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Souza, Stennett, and Buckner-Webb
ABSENT/EXCUSED: Senator Anthon

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. with a quorum present.

RS 26833 Relating to the Revised Uniform Law regarding electronic records related to remote notarization. Chad Houck, Deputy Secretary, Idaho Secretary of State Office was in attendance to present the bill.

MOTION: Senator Hill moved to send RS 26833 to print. Vice Chairman Harris seconded the motion. The motion carried by voice vote.

RS 26495 Relating to Codifier's Corrections to make various codifier and technical corrections to Idaho Code. Katharine Gerrity, Legislative Services Office, was in attendance to present the bill.

MOTION: Senator Winder moved to send RS 26495 to print. Senator Vick seconded the motion. The motion carried by voice vote.

PASSED THE GAVEL: Chairwoman Lodge passed the gavel to Vice Chairman Harris.

RS 26843 Relating to Campaign Finance Reports to amend Idaho Code § 67-6601. Chairwoman Lodge was in attendance to present the bill.

RS 26844 Relating to Campaign Finance to revise definitions and define terms and to amend Idaho Code §§ 67-6602, 67-6611, 67-6628, 67-6606, and 67-6621. Chairwoman Lodge was in attendance to present the bill.

MOTION: Senator Winder moved to send RS 26843 and RS 26844 to print. Senator Hill seconded the motion. The motion carried by voice vote.

PASSED THE GAVEL: Vice Chairman Harris passed the gavel back to Chairwoman Lodge

MINUTES APPROVAL: Vice Chairman Harris moved to approve the Minutes of January 18, 2019. Senator Buckner-Webb seconded the motion. The motion carried by voice vote.

PAGE GRADUATION: Graduation of Brigham Chelson as Page for the Senate State Affairs Committee serving the First Half of the 1st Regular Session of the 65th Legislature.
Chairwoman Lodge welcomed Brigham Chelson to the podium and expressed her appreciation for the work he had done for the Committee. She asked him what he had learned and how that might help him in the future. Mr. Chelson stated that the most important thing he has learned was about the large amount of public involvement occurring in the activities at the Capitol. Chairwoman Lodge commented that this is the people's house and they have a voice, either in person or electronically. She asked Mr. Chelson about his future plans. Mr. Chelson said he should be hearing about his acceptance at BYU Provo in the next two weeks.

Senator Hill asked Mr. Chelson how many Chelsons have been pages. Mr. Chelson responded that he is the fifth and the last, since he is the youngest in his family.

Senator Stennett thanked Mr. Chelson for his professionalism and attention to detail while serving the Committee.

Senator Winder asked about his lifelong goal and what he will be doing at BYU Provo. Mr. Chelson answered that he is interested in finance. He likes to help people so he will be studying to be a personal financial advisor.

Chairwoman Lodge presented Mr. Chelson with a letter signed by the Committee and a gift, and reiterated their appreciation for his service. She will also provide him with a letter of recommendation.

ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 8:14 a.m.
**AMENDED AGENDA #1**

**SENATE STATE AFFAIRS COMMITTEE**

8:00 A.M.
Room WW55
Friday, February 15, 2019

<table>
<thead>
<tr>
<th>SUBJECT</th>
<th>DESCRIPTION</th>
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</thead>
<tbody>
<tr>
<td><strong>GUBERNATORIAL APPOINTMENTS:</strong></td>
<td>The Gubernatorial Appointment of Travis &quot;Bear&quot; Prairie to the Idaho Energy Resources Authority.</td>
<td>Travis &quot;Bear&quot; Prairie</td>
</tr>
<tr>
<td></td>
<td>The Gubernatorial Re-appointment of Eric Anderson to the Public Utilities Commission.</td>
<td>Eric Anderson</td>
</tr>
<tr>
<td>RS26876</td>
<td>RELATING TO WAREHOUSES to provide for electronic negotiable receipts.</td>
<td>Senator Burtenshaw</td>
</tr>
<tr>
<td>RS26659C1</td>
<td>A JOINT MEMORIAL regarding a Constitutional Amendment referred to as the Regulation Freedom Amendment.</td>
<td>Senator Vick</td>
</tr>
<tr>
<td>RS26881</td>
<td>UNANIMOUS CONSENT REQUEST from the Senate Transportation Committee related to providing management of highway construction and maintenance for extension of the surplus eliminator.</td>
<td>Senator Brackett</td>
</tr>
<tr>
<td>RS26813</td>
<td>RELATIVE TO THE INTERSTATE AGREEMENT on detainers to revise a provisions regarding the administrator.</td>
<td>Jared Larsen, Office of the Governor</td>
</tr>
<tr>
<td>HJM 001</td>
<td>A JOINT MEMORIAL requesting the support of Idaho's congressional delegation to secure the proposed 611 National Suicide Hotline.</td>
<td>Senator Martin</td>
</tr>
<tr>
<td>H 0064</td>
<td>RELATING TO ABORTION COMPLICATIONS to revise provisions regarding certain reports.</td>
<td>Representative Chaney</td>
</tr>
</tbody>
</table>

**MINUTES APPROVAL:**
The minutes of February 13, 2019
Senators Winder and Souza

*If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.*

**COMMITTEE MEMBERS**
Chairman Lodge
Vice Chairman Harris
Sen Hill
Sen Winder
Sen Vick
Sen Anthon
Sen Souza
Sen Sten nett
Sen Buckner-Webb

**COMMITTEE SECRETARY**
Twyla Melton
Room: WW42
Phone: 332-1326
email: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Friday, February 15, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb
ABSENT/EXCUSED: None
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 convened the Senate State Affairs Committee (Committee) at 8:00 a.m.

GUBERNATORIAL APPOINTMENT: The Gubernatorial Appointment of Travis "Bear" Prairie to the Idaho Energy Resources Authority (IERA).

Mr. Prairie reviewed his professional background. He stated upon graduation from the College of Idaho in 1998, he began working in the power operations group within Idaho Power which was a great learning opportunity working through the 2000 energy crisis. He remained with Idaho Power until 2007 when he joined Integrys Energy Services, a Fortune 100 energy utility out of Wisconsin. They approached him to open an office in the West to do natural gas and electricity trading, asset management, and the development of energy resources in the West. They opened an office in Boise to grow the Western business for Integrys. When the financial crisis hit in 2008, Integrys decided to sell the Western office to an entity in Houston. At that time, Mr. Prairie elected to remain in Boise and opened a consulting business. In 2011, he joined Idaho Falls Power as Assistant General Manager allowing him to use his energy trading and finance background. With this position came the responsibility of managing the company's energy portfolio. He was recently appointed General Manager of Idaho Falls Power.

DISCUSSION: Senator Souza asked Mr. Prairie what he saw as the biggest challenge for IERA in today's economy. Mr. Prairie indicated it is a tough environment in the energy industry at this time, with the markets driving more towards the development of non-dispatchable resources like wind and solar. In the past, energy assets were developed by individual entities; as we move forward with an interconnected grid, things become more regionally focused and IERA can play a key role. IERA has the ability to bring people and entities together to do financing packages and lend support in facility operations. This can help lower the cost and bring stable, reliable energy to Idaho communities.

Senator Hill noted that the Idaho Falls Community strongly supports the small nuclear reactor project at the Idaho National Laboratory (INL) site, and asked Mr. Perry if he sees that project playing a part in the overall energy needs of Idaho; specifically Idaho Falls. Mr. Prairie advised the Committee that he is currently the Chairman of the Small Module Reactor project (SMR) at INL and is intimately aware of the inner workings of that project. He stated that IERA is staying at the table to see if they can play a supporting role in financing. He explained that eastern Idaho is predominately served by one major substation; so from a pure physics standpoint, the SMR project could really help with the reliability of power
in southeast Idaho. He stated that it would also bring a transmission savings component, as well as employment opportunities for 300 people.

**GUBERNATORIAL** The Gubernatorial Re-appointment of Eric Anderson to the Public Utilities Commission (IPUC).

Mr. Anderson stated that he has just finished his third year with IPUC. The IPUC regulates four electric utility companies in the State of Idaho, and has responsibility for providing fair and reasonable rates for its customers. He indicated that IPUC spent a good deal of time this past year on a proposed merger between Avista and Hydro One out of Ontario, Canada. As the case progressed, it became evident that it did not fall within the statutes and legal authority of the State of Idaho. It eventually failed with a ruling by IPUC that would not allow the merger to go forward. He indicated IPUC also worked on a transmission power case brought by Idaho Power, and approved a redundant line up into the Ketchum area. Mr. Anderson advised the IPUC also regulates all of the industrial water companies in the State of Idaho and hears many small cases, mostly dealing with rates and lack of line maintenance issues.

**DISCUSSION:** Senator Souza noted that the Avista/Hydro One merger had been very important to her part of the state, and asked Mr. Anderson if his experience with that case has pointed to anything in Idaho Code that he feels may need to be clarified or strengthened for any situations that might come before the IPUC in the future. Mr. Anderson explained that Idaho Code § 61-327 does not allow for foreign states to take possession of our resources. He stated this is a good statute, but there is always room for improvement.

Senator Vick observed that the IPUC is a quasi-judicial body, and just as the Idaho Supreme Court provides feedback to the Legislature on defects in the law they encounter in rulings, perhaps the IPUC could reach out in the same way when they encounter a statute that might need some work. He stated that the expertise of Mr. Anderson and the IPUC would be very valuable to the Legislature. Mr. Anderson responded that if IPUC finds any difficult or conflicting legislation they will certainly weigh in on that with the people who need to know.

Senator Stennett commented that Mr. Anderson's professional summary indicates that he successfully contended with repercussions of the Clean Power Plan; she asked what the repercussions were. Mr. Anderson indicated there are two categories to the Clean Power Plan: the Clean Air Act, and the Clean Water Act. The Clean Air Act had problems with coal and the ability to operate coal plants; however, a lot of those rules have been overridden. He stated the renewal components of solar and wind are part of integrated resource plans of all utilities, and there is a shifting of demand as federal legislation comes forward.

Chairwoman Lodge announced the Gubernatorial nominations would be voted on at the Committee's next meeting.

**RS 26876** RELATING TO WAREHOUSES to provide for electronic negotiable receipts.

Senator Van Burtenshaw, District 35, stated the purpose of this legislation is to bring the commodity warehouse operator requirements for warehouse receipts up to date. It provides that handwritten Idaho State Department of Agriculture (ISDA) provided forms and electronic receipts will have equal legally binding requirements. The electronic receipts must be United States Department of Agriculture (USDA) approved, accessible to ISDA, and all costs of implementation and costs related to electronic warehouse receipts are the responsibility of warehouse owners and/or associated dealers. Senator Burtenshaw indicated he worked with ISDA and grain producers on this legislation.
MOTION: Senator Souza moved to send RS 26876 to print. Senator Anthon seconded the motion. The motion carried by voice vote.

RS 26659C1 A JOINT MEMORIAL regarding a Constitutional Amendment referred to as the Regulation Freedom Amendment.

Senator Steve Vick, District 2, stated this proposed joint memorial requests that Congress pass a constitutional amendment giving them the ability to review rules written by the executive branch, just as the Idaho Legislature does. Because of the potential volume of the federal rules, the memorial sets forth a process for review. Senator Vick indicated there are 28 states that have passed memorials with this same language; Vice President Mike Pence endorsed this when he was governor.

DISCUSSION: The Committee discussed Congress’s current ability to get things accomplished and questioned whether this would add to that problem; the consensus was that Congress is not too busy and could do more. Senator Stennett commented that she is aware that we do have legislation floating around the building that is questioning our rules process, and wondered if both houses would be comfortable with demanding the federal government do something we are not clear about. Senator Vick advised that he had not seen the legislation in question, nor had he spoken with the sponsor of the legislation. He indicated he had spoken with members of both houses about this issue.

MOTION: Vice Chairman Harris moved to send RS 26659C1 to print. Senator Anthon seconded the motion. The motion carried by voice vote. Senator Stennett and Senator Buckner-Webb requested to be recorded as voting nay.

RS 26881 UNANIMOUS CONSENT REQUEST from the Senate Transportation Committee related to providing management of highway construction and maintenance for extension of the surplus eliminator.

Senator Bert Brackett, District 23, stated that the current surplus eliminator sunsets this year. This proposed legislation extends the sunset for five years, and would put a $100 million cap on the surplus eliminator. He indicated that currently there is no cap, and both of these changes would help reduce the volatility and the uncertainty of the Stratgic initiative Fund and the Budget Stabilization Fund.

MOTION: Senator Anthon moved to send RS 26881 to print. Vice Chairman Harris seconded the motion. The motion carried by voice vote.

RS 26813 RELATIVE TO THE INTERSTATE AGREEMENT on detainers to revise a provision regarding the administrator.

Jared Larson, from the Governor’s office, stated that he works as a policy advisor on public safety and criminal justice matters for Governor Little, and is also the extradition coordinator for the Governor. He advised that this legislation addresses the Interstate Agreement on Detainers (IAD), which governs the transfer of sentenced prisoners from one state to another, from the federal government to a state, or from a state to the federal government, to stand trial for a separate crime. Mr. Larson advised that Idaho Code § 19-5007 designates the "director of correction" as the administrator of the IAD, but the Director of the Idaho Department of Correction (IDOC) is not the logical person to administer the IAD; IDOC has nothing to do with bringing a prisoner from another state to stand trial in Idaho, this is handled by the counties. This proposed legislation changes the administrator to the Idaho Attorney General, or his designee, which aligns with some neighboring state policies, and with how Idaho handles extradition requests. Mr. Larson advised that this legislation enjoys the support of the Governor’s office, the Attorney General's office, and the Director of IDOC.
DISCUSSION: Senator Stennett questioned the statement that IDOC would not have anything to do with bringing a prisoner from another state to Idaho; they would have to incarcerate that prisoner. Mr. Larson explained that the prisoner is actually held in the county jail while they are awaiting trial.

Senator Winder commended Mr. Larson on the great job he does with the Governor’s office, and commented that it is a real sign of progress to see the Governor and the Attorney General working together.

MOTION: Senator Hill moved to send RS 26813 to print. Senator Anthon seconded the motion. The motion carried by voice vote.

AGENDA REVISION: Due to the unavailability of Senator Martin, who is scheduled to present HJM 001, the presentation of H 0064 was moved up on the Committee agenda.

H 0064 RELATING TO ABORTION COMPLICATIONS to revise provisions regarding certain reports.

Representative Greg Chaney, District 10, advised that this bill relates to the Abortion Complication Reporting Act (ACT), which was adopted last year by the legislature. The intent of the ACT is to obtain data about abnormal and deviant processes or events arising from the performance or completion of abortions in Idaho. Representative Chaney stated that the ACT is legally defensible as adopted, but these changes are designed to refine the language and ensure that the same event would not be counted multiple times.

DISCUSSION: Senator Stennett and Representative Chaney discussed the similarity of this bill to H 29 which was passed by the Legislature in 2018, and currently is in litigation. Representative Chaney indicated that the Idaho Attorney General has been successful in defending that litigation as far as the 9th Circuit Court of Appeals and indicated the intent of H 0064 is to refine language under the list of conditions to be reported; emphasize that reporting requirements kick in only when a doctor or a medical professional, using the best or reasonable medical judgment, determines there is a need to report; and to set forth safeguards to prevent duplicate reporting. Senator Stennett stated that no other state mandates this kind of illness reporting, and no other illness requires this kind of reporting. She asked who is actually compiling this information, and if we have put money aside to ensure it is done accurately. Representative Chaney advised that the handling and protection of the data is addressed in a section of the ACT not being amended by H 0064. Senator Stennett stated that the conditions listed in the bill could apply to men or children and asked if this is gender profiling. Representative Chaney responded that most of the conditions listed are not being amended by this bill, and H 0064 does not create a new bill, it refines an old one.

TESTIMONY: Lori Burelle, of Boise, representing the National Organization of Women, Southwest Idaho Chapter (NOW), spoke in opposition to H 0064, stating that it raises the cost of healthcare generally, because onerous regulation is costly for private practitioners who must abide by these unnecessary laws.

WRITTEN TESTIMONY: Mistie Tolman, Idaho State Director, Planned Parenthood Votes Northwest and Hawaii, provided written testimony in opposition to H 0064 (see attachment 1). Kathy Griesmyer, Policy Director, ACLU of Idaho, provided written testimony in opposition to H 0064 (see attachment 2).

MOTION: Senator Souza moved to send H 0064 to the floor with a do pass recommendation. Senator Vick seconded the motion. The motion carried by voice vote. Senator Stennett and Senator Buckner-Webb requested to be recorded as voting nay.
HJM 001  A JOINT MEMORIAL  requesting support of Idaho’s congressional delegation to secure the proposed 611 National Suicide Hotline.

Senator Fred Martin, District 15, stated that about 30 Idahoans take their lives each month by suicide. This joint memorial requests the support of Idaho's congressional delegation in securing the proposed 611 national suicide prevention and mental health Crisis Hotline number from the Federal Communications Commission.

DISCUSSION: Senator Souza asked if she were in a crisis, and did not know to dial 611, could she dial 911, explain her situation, and be referred to the 611 number. Senator Martin responded 911 would transfer her if they had that capability, and if not, would give her the 611 number. Senator Buckner-Webb commented that dialing 611 would be beneficial, as it would not take up the time of the 911 operator who is dealing with other emergency issues.

MOTION: Vice Chairman Harris moved to send HJM 001 to the floor with a do pass recommendation. Senator Buckner-Webb seconded the motion. The motion carried by voice vote.

MINUTES APPROVAL: Senator Winder moved to approve the Minutes of February 13, 2019. Senator Souza seconded the motion. The motion carried by voice vote.

ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 9:05 a.m.

___________________________  __________________________
Senator Lodge, Chair  Twyla Melton, Secretary

____________________________
Assisted by Lois Bencken
Dear Chair and Members of the Committee,

Planned Parenthood strongly supports medical practices that are based on sound science and which improve the health and lives of people and communities. We develop our own standards of care using the most current medical evidence available, including guidance from trusted medical organizations such as the Centers for Disease Control and Prevention (CDC), the United States Preventive Services Task Force, and the American College of Obstetricians and Gynecologists. We proudly support research efforts aimed at improving the quality of care for Idahoans and people across our nation.

With this commitment in mind, last year we strongly opposed HB 638, which put in place unscientific reporting requirements for abortion. We continue to support high-quality research that aims to improve public health, but unfortunately we were unable to support this legislation because it does not promote such high-quality research and does nothing to ensure that all Idahoans receive high quality health care, backed by rigorous scientific study and analysis. Information on the safety and risks of any medical procedure should be collected through high-quality medical and social science research and peer-reviewed studies, not government forms. This bill’s expansive and politically-motivated reporting requirements go beyond what is needed to improve public health.

House Bill 64 makes a number of amendments to HB 638. While these changes do somewhat improve last year’s legislation, they do not address our overarching concerns about the reporting requirements put in place by HB 638. Many of the reporting requirements in HB 64 remain so vague that they would be difficult or impossible to comply with. House Bill 64 also continues to require reporting on a number of so-called “complications” that are actually expected side effects of abortion, creating additional confusion. And because of the bill’s vague and confusing reporting requirements, providers would be left to guess at how to correctly comply and would likely over-report, substantially weakening the quality of data collected and further throwing into question its utility for improving public health.

Thank you for the opportunity to comment on this legislation. We look forward to working with you to ensure that all Idahoans receive high quality health care, backed by rigorous scientific study and analysis.

Sincerely,

Mistie Tolman

Idaho State Director

Planned Parenthood Votes Northwest and Hawaii
Testimony of Kathy Griesmyer
HB 64: Abortion Complications Reporting Act
Before Senate State Affairs Committee
February 15, 2019

The ACLU of Idaho shares our opposition to HB 64 because it requires hospitals, licensed healthcare facilities and individual medical practitioners to report “complications” of medical conditions that have no medically or scientifically proven link to abortion, like breast cancer, or medically broad terms like heavy bleeding and fever. The reporting requirement does not exist for any other medical condition. Instead, this act is an attempt to intimidate and shame women and healthcare providers for exercising their constitutionally protected right to access and provide abortion care in the United States—a procedure which has been deemed extremely safe by numerous national medical and scientific groups, and rarely involves serious complications.

Simply put, HB 64 and its required reporting mechanisms are unnecessary. The reporting of certain vital statistics information is important to improving public health, yet there are already reporting systems in place for reporting on abortion. Since 1969, the Center for Disease Control (CDC) has collected abortion incidence data from states to document the number and demographic characteristics of women obtaining legal induced abortions in the United States. In fact, in 2014, Idaho’s own data shows that only one single instance of a patient experiencing a complication was reported in the entire state.1 Furthermore, while it can be important to understand the safety and risks of any medical procedure, this just isn’t how complication reporting is done for any other medical procedure. This information is collected through high-quality medical and social science research and peer-reviewed studies; not government forms.

Abortion is also one of the safest medical procedures performed in the United States. Data that is currently collected, including from the CDC, show that abortion has over a 99 percent safety record, with low mortality and complication rates for patients. In fact, a 2018 report from the non-partisan National Academies of Sciences, Engineering, and Medicine (NASEM) states that, “The clinical evidence clearly shows that legal abortions in the United States—whether by medication, aspiration, D&E, or induction—are safe and effective.”2 Studies show women in the U.S. experience major complications less than one percent of the time.3 And the safety of abortion has also been recognized by the U.S. Supreme Court. In Whole Women’s Health v. Hellerstedt, the Supreme Court acknowledged, “abortions are so safe” that the restrictions Texas had enacted to purportedly make the procedure even safer made little sense.4

In closing, we ask you to reject this unnecessary legislation that is aimed at targeting a women’s constitutionally protected access to abortion through false equivalencies that abortion is an unsafe procedure. Please vote no on HB 64. Thank you.

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2 National Academies of Sciences, Engineering, and Medicine, The Safety and Quality of Abortion Care in the United States (2018),
https://doi.org/10.17226/24950.

For questions or comments, contact Kathy Griesmyer, Policy Director, at 208-344-9750 x1204.
AMENDED AGENDA #1
SENATE STATE AFFAIRS COMMITTEE
8:00 A.M.
Room WW55
Wednesday, February 20, 2019

<table>
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<tr>
<th>SUBJECT</th>
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<th>PRESENTER</th>
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<tr>
<td>INTRODUCTION OF PAGE:</td>
<td>Welcome to page Katie Angell who will serve for the 2nd Half of the 1st Regular Session of the 65th Idaho Legislature.</td>
<td>Chairwoman Lodge</td>
</tr>
<tr>
<td>VOTE ON GUBERNATORIAL APPOINTMENTS:</td>
<td>The Gubernatorial Appointment of Travis &quot;Bear&quot; Prairie to the Idaho Energy Resources Authority.</td>
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<td></td>
<td>The Gubernatorial Re-appointment of Eric Anderson to the Public Utilities Commission.</td>
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<tr>
<td>GUBERNATORIAL RE-APPOINTMENT:</td>
<td>The Gubernatorial re-appointment of Janet Gallimore as the State Historical Preservation Officer and an overview of the Idaho State Historical Society.</td>
<td>Janet Gallimore, Executive Director and State Historical Preservation Officer, Idaho State Historical Society</td>
</tr>
<tr>
<td>RS26905</td>
<td>UNANIMOUS CONSENT REQUEST from the Senate Transportation Committee to amend violations for failure to yield to a school bus.</td>
<td>Senator Winder</td>
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<tr>
<td>RS26911</td>
<td>A JOINT MEMORIAL to urge Congress to encourage President Trump’s administration to renew certain waivers on steel.</td>
<td>Senator Winder</td>
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<tr>
<td>RS26910</td>
<td>RELATING TO UNCLAIMED PROPERTY for certain non-profit corporations related to cooperatives providing electric power, telecommunications and broadband services to elect to participate in the State’s unclaimed property laws as they choose.</td>
<td>Will Hart, Idaho Consumer-Owned Utilities Association</td>
</tr>
<tr>
<td>S 1076</td>
<td>RELATING TO LIQUOR STORES to authorize sample tasting of liquor in certain instances.</td>
<td>Senator Souza</td>
</tr>
<tr>
<td>S 1113</td>
<td>RELATING TO CAMPAIGN FINANCE REPORTS for the promotion of openness and public confidence by those giving financial support to election campaigns and transparency to the political process.</td>
<td>Chairwoman Lodge</td>
</tr>
<tr>
<td>S 1114</td>
<td>RELATING TO CAMPAIGN FINANCE to increase transparency in campaign finance for statewide, legislative and local elections.</td>
<td>Chairwoman Lodge</td>
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</tbody>
</table>

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.
COMMITTEE MEMBERS
Chairman Lodge
Vice Chairman Harris
Sen Hill
Sen Winder
Sen Vick

Sen Anthon
Sen Souza
Sen Stennett
Sen Buckner-Webb

COMMITTEE SECRETARY
Twyla Melton
Room: WW42
Phone: 332-1326
e-mail: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Wednesday, February 20, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb
ABSENT/EXCUSED: None
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: Vice Chairman Harris called the Senate State Affairs Committee (Committee) meeting to order at 8:00 a.m.
COMMITTEE PAGE: Katie Angell, Committee page, introduced herself and discussed her background. She is from Rexburg, Idaho, and loves everything about the outdoors. She was a cheerleader and sits on the National Honor Society Board. Ms. Angell said she finished classes early and will be attending Brigham Young University - Idaho in April. She told the Committee her future plans.
MOTION: Senator Vick moved to send the Gubernatorial appointment of Travis "Bear" Prairie to the Idaho Energy Resources Authority to the floor with recommendation that he be confirmed by the Senate. Senator Buckner-Webb seconded the motion. The motion carried by voice vote.
MOTION: Senator Vick moved to send the Gubernatorial re-appointment of Eric Anderson to the Public Utilities Commission to the floor with recommendation that he be confirmed by the Senate. Senator Souza seconded the motion. The motion carried by voice vote.
GUBERNATORIAL RE-APPOINTMENT: The Gubernatorial Re-Appointment of Janet Gallimore as the State Historical Preservation Officer and an overview of the Idaho State Historical Society.
Ms. Gallimore presented her background and credentials to the Committee. The State Historical Preservation Office (Preservation Office) is a branch of the Idaho State Historical Society, and was established as an agency of the state in 1907. Her credentials include: 1.) Serving under Governor Otter for three terms as the State Historic Preservation Officer; 2.) Over 30 years of experience in the area of cultural resource management and administration; 3.) Administration of museums, archives, historic sites and historic resources; 4.) Education includes an M.S. in Business from the National Louis University in Evanston, Illinois, and a B.A. in Business and Fine Arts from Berik College; 5) Held many positions on national boards including: the Board of the National Conference State Historic Preservation Officers, a peer reviewer for the American Alliance of Museums and its accreditation program, and the Board of American Association for State and Local History. She also stated she is a member of the International Women's Forum in Idaho. Ms. Gallimore explained in detail her duties as the Preservation Officer and provided an overview about what is happening...
at the Idaho State Historical Society, touching on the remodeling of the Idaho
State Historical Museum (Museum).

**Senator Hill** stated that Ms. Gallimore was instrumental in the remodeling
of the Museum, and inquired about the attendance and responses since the
Museum was reopened. **Ms. Gallimore** stated she was happy to report close
to 20,000 people have visited the Museum since it opened. **Senator Hill** stated
that no one else could have handled it with more enthusiasm or dedication and
stated his appreciation for her service.

**Chairwoman Lodge** asked Ms. Gallimore if she could give an update on the
Bear River Landmark Museum. **Ms. Gallimore** gave a brief history of the site,
as well as their intentions with the cultural center.

**Chairwoman Lodge** stated that the Committee will vote on the Gubernatorial
appointment at a future date.

**RS 26905**

**UNANIMOUS CONSENT REQUEST** from the Senate Transportation
Committee to amend violations for failure to yield to a school bus.

**Senator Winder** said RS 26905 concerns the safety of school buses. The
increasing number of cars violating the law by passing a bus when it is stopped
has caused an increase in fatalities around the country over the last 12 months.
RS 26905 will raise the fine amount to a point which will get drivers’ attention
and be a deterrent.

**MOTION:**

**Senator Hill** moved to send RS 26905 to print. **Senator Anthon** seconded the
motion. The motion carried by **voice vote**.

**RS 26911**

**A JOINT MEMORIAL** to urge Congress to encourage President Trump’s
administration to renew certain waivers on steel.

**Senator Winder** stated the memorial has been proposed by the Pacific
Northwest Economic Region (PNWER). He explained to the Committee that
PNWER is made up of four Northwest states, Alaska and three Western
Provinces of Canada, and two territories of Canada. He explained the purpose
of RS 26911 is to encourage Congress to move expeditiously and approve new
trade agreements with Canada and Mexico, with an end goal of stabilizing
trade. He further stated PNWER imports and exports from the United States,
Canada, and Mexico and the tariffs have had an impact on Idaho’s agricultural
community.

**Senator Anthon** asked why Mexico is the third largest market and asked about
the benefits we share with Mexico. **Senator Winder** replied the RS was drafted
to mostly emphasize the Northwest area and not necessarily Mexico. The
drafters felt that it was important to include Mexico; it is a big trading partner
with the U.S.

**MOTION:**

**Senator Anthon** moved to send RS 26911 to print. **Senator Stennett**
seconded the motion. The motion carried by **voice vote**.

**RS 26910**

**RELATING TO UNCLAIMED PROPERTY** for certain non-profit corporations
related to cooperatives providing electric power, telecommunications, and
broadband services to elect to participate in the State’s unclaimed property
laws as they choose.

**Will Hart**, Executive Director and Legislative Advisor of the Idaho
Consumer-Owned Utilities Association, explained what they do as an
organization. He asked the Committee to print **RS 26910** regarding small rural
member owned utilities. This RS asks for flexibility in how to use funds.
**Senator Souza** raised concerns about the methodology of the RS. She agreed keeping funds on the books for only two years is not enough time. She also raised concerns because the funds are not the property of the utility, but belong to the member and those members have not been found. Going to the utility directly might not be proper. She also stated her opinion about dispersal of funds. Mr. Hart appreciated her input and stated he will discuss it further with Senator Souza.

**MOTION:** Senator Anthon moved to send RS 26910 to print. Senator Buckner-Webb seconded the motion. The motion carried by voice vote.

**S 1076** RELATING TO LIQUOR STORES to authorize sample tasting of liquor in certain instances.

Kate Haas, Kestrel West, representing the Distilled Spirits Council (Council), stated S 1076 allows for sampling at liquor stores. She said the bill allows for both administration and proper enforcement, and provides for limited sampling within liquor stores. She stated the Director of the Liquor Division has to approve any sampling before it occurs, the methodology of the sampling, and what was being sampled. She stated the suppliers' representative would be the one handling all alcohol and doing any sample pouring. She also explained that any sampling would have to be in a clearly identified and designated roped off area that would allow the sample handler to see who is coming in and out and only allow a certain number of customers within the area. The sample taster will have to stay in the designated area and everyone involved must be age 21 and older. The sample size is restricted to a total of three quarter ounce samples of product per 24-hour period. She stated other states have had smaller sample sizes, but the Council felt it was appropriate for Idaho. She lastly explained that the Council feels it will be able to prosecute suppliers if they serve more than three samples.

**DISCUSSION:** Senator Sten nett asked Ms. Haas if the server is required to ask for ID to ensure they are not serving minors and how the State will be protected from liability if there are liquor samples offered in a state building. Ms. Haas replied that minors are not allowed into the liquor store and explained how that works. She also reiterated service could only be for individuals over the age of 21. The language in the bill was written so that, in the event of an incident causing damage, the supplier is liable. Ms. Haas explained that there are adequate protections for the State within the bill. She stated the Alcohol Beverage Control Office (ABC) will enforce the laws and keep the public safe.

Senator Buckner-Webb asked Ms. Haas what the level of intoxication is after three samples. Ms. Haas replied that, after drinking one three quarter ounce sample, which is half of a full serving, a one hundred pound woman would have an intoxication level of .02. This is well below .08 which would be the intoxication level for a 200 pound man drinking the same sample size, assuming that the customer drinks all three samples at once.

Senator Hill asked if there are dedicated State liquor stores where sampling could take place, and if in rural areas, it would be convenience stores. Ms. Haas replied contract stores have roped off areas and require input from the ABC regardless of whether or not the store is in a rural area. The contract stores are in locations that are more rural and don't have the populace. ABC had questions about the contract stores and that is why there is a clearly marked off, identified, segregated area. It had to be a portion of the store inaccessible to minors. The likelihood of a sampling occurring in a contract store type location is very low. Senator Hill asked what percent of the State liquor dispensaries are in dedicated State liquor stores as opposed to other contracted
stores. Ms. Haas could not answer the question now but would get back to the Committee. Senator Hill maintained that college kids could drive from location to location to partake of the samples and be above the intoxication level.

Vice Chairman Harris called Jeff Anderson, Director, Idaho State Liquor Division (ISLD), to answer questions.

Senator Anthon commented that Idaho allows some sampling of liquor in the state. Mr. Anderson responded that there are two methods; one is at the distillery distributing stations, and suppliers and brokers can have samples at on-premise licensed liquor by the drink establishments. Senator Anthon, where samplings are allowed, how does the regulatory scheme compare to the proposal in this bill. Mr. Anderson said the .25 of an ounce is the same as what is at the distillery distributing stations. Senator Anthon asked if distribution centers have regulatory requirements and have some obligation related to their own license with the State to ensure statute requirements will be met. Mr. Anderson responded that they did have appropriate licensing.

Senator Anthon stated if, under this proposed statute, a contract store violates the law, could they lose their ability to sell. Mr. Anderson responded that they would need the ISLD’s approval, and interest from a supplier/ broker who would administer the sampling. If they didn’t follow the law, they would lose the ability to sell spirits. Senator Anthon asked if other states are doing this and what kinds of experiences have they incurred. Mr. Anderson said a number of states are doing sampling. Idaho is a member of the National Alcohol Beverage Control Association consisting of 17 states that are controlled jurisdictions.

Senator Stennett asked Mr. Anderson how many State and contract stores are in Idaho, and if contract stores chose to do sampling, would they need approval from the director of ISLD. Mr. Anderson answered there are 65 State and 105 contract stores. He stated 85 percent of sales come from State stores. The supplier would be the ones who give samples, not the stores. He further stated, should the bill pass, the ISLD will develop policies. Senator Stennett ask for confirmation that if a contract store did this, it would have to go through the ISLD director’s office. Mr. Anderson stated it his understanding they cannot choose to do this without the permission of the ISLD. Should this become law, the ISLD will develop policies and best practices within the industry.

Senator Winder asked Mr. Anderson how the bill will protect against intoxication as a result of visiting multiple locations, and if liquor stores could delay giving samples until rules are developed and brought back to the legislature next year. Will the bill provide the ability to not only control, but also enforce the statutes highlighted in the bill. Mr. Anderson replied that policy would not allow for stores within close proximity of each other to do sampling at the same time. Regarding rules, he would have to speak to the governor’s office about administrative rules relating to this and give further details at a later time. Currently, they do not have enforcement authority but it still requires ISLD’s approval and when that happens they could include enforcement. Senator Winder asked if the bill gives ISLD the ability to enforce current law that restrict the amount of consumption and age limitations. Mr. Anderson explained that, although they don’t have the enforcement authority that ABC does; the method in which this would occur would require approval.

TESTIMONY: Barbara Jordan, Idaho Trial Lawyers Association (ITLA), stated she did not have a position on the bill. However, she raised a concern about liability. Page 2, section 12 indicates the supplier is responsible for following the guidelines. The second part says a retail store that hosts the event is not responsible for anything that might come from that action. That is too broad. They should have
MOTION: Senator Souza moved to send S 1076 to the floor with a do pass recommendation. Senator Anthon seconded the motion.

DISCUSSION: Senator Hill asked Ms. Jordan what the consequences are of not having that liability. Does that mean a person cannot sue or does the liability transfer to someone else? Ms. Jordan said they are trying to make certain there will not be a bad outcome. There needs to be an understanding there could be consequences. Senator Hill stated his question dealt with the legalities. Ms. Jordan said it doesn't change the process, it will give a clearer indication that the store has some responsibility to make sure it is being done correctly.

Senator Anthon asked Ms. Jordan if the amendment would apply to both State and contract stores. Ms. Jordan replied in the affirmative because there is a reference to a retail store and on page 1, section 1.b, it identifies a retail store as any state store or distributing station. There is some confusion if a contract store is a distribution station.

Senator Stennett asked Ms. Jordan if the language being proposed in her amendment ensures both sides are held to stronger oversight on how a consumer might unwittingly end up in a condition as a result of drinking and if there is monitoring from both sides to prevent this. Ms. Jordan did not believe it was the intent of the amendment and said it was very clear that the suppliers are responsible and the person themselves would have some responsibility should anything happen to them.

Senator Winder asked Mr. Anderson if he had any thoughts on the necessity of the amendment, and if it makes any difference on how behavior is enforced within the store. Mr. Anderson answered there was no objection to the amendment. It did not make any difference regarding the effectiveness of enforcement or sampling occurring within State stores because serving is conducted by the supplier. Store personnel would be cooperative in setting up but not administering the liquor.

Senator Souza proposed to reword the amendment to be compliant with the Idaho Liquor Act. She also asked Mr. Anderson if it has already been taken into consideration. Director Anderson answered in the affirmative and explained how it is currently applied.

Ms. Haas stated there will be rules crafted around this bill and there is not a problem with any amendments from the supplier's perspective.

Senator Winder asked Ms. Haas if the Council is willing to commit that there will be no samplings until rules are developed. Ms. Haas answered in the affirmative, and they will work with ISLD to establish what those rules will be. Ms. Haas then gave her closing remarks and stated the Council's perspective, without amendment language, that the liability still rests with the supplier and both State and contract stores. This bill does not absolve them of their requirement and obligation to follow the rest of Idaho State law which the ISLD director mentioned. The Council feels there is appropriate liability already in place without the amendment but it is up to the Committee to decide. She stated she would not be opposed to whatever decision the Committee came to but asked for a do pass recommendation.
DISCUSSION:  
Senator Hill indicated his opposition to the motion, mostly for State liquor stores, stating they are open to contract. He also said retailers do a lot of things to get customers through their doors to buy and it should not be assumed stores will not offer free samples.

Senator Anthon supported the motion and said there is a State Constitutional obligation for temperance. He stated Idaho already functions without any major problems and agrees with the aforementioned major concern with smaller locations. He stated he would prefer the bill to be amended to omit language regarding smaller locations. The supplier should be ultimately responsible and the State should not take any liability.

Senator Souza supported the motion. She said the Director of ISLD has the discretion on who can offer free samples under the auspices of the rules the division will be creating. That protection and oversight will be in place, and sampling would not occur due to the regulations in place.

Senator Winder commented that the concerns raised were valid and changed his view on some things. Providing some rules before anything begins is important. One thing to remember is the director has discretion but he cannot function properly without some format in place. Without a format, the State or the director may end up being sued. He proposed to hold the bill in Committee until a future meeting for the purposes of determining if an amendment is needed to include language that would require promulgating of rules before any sales or sampling could take place. He also said, even though the Committee has the ability, Idaho Code does not say the Committee has the right to promulgate rules. He then said he would be more comfortable with it after further analysis before sending the bill to the floor.

SUBSTITUTE MOTION:  
Senator Winder moved to hold S 1076 in Committee until the next meeting to potentially amend and promulgate rules. Senator Vick seconded the motion. The motion carried by voice vote.

S 1113 AND S 1114  
Chairwoman Lodge stated she was bringing forward S 1113 and S 1114 which were the result of the work the Campaign Finance Committee (CFC) did over the 2018 interim. The State Treasurer's Office received a grant to create a book to make campaign finance requirements easier to understand. She gave a brief overview of the interim events and expressed gratitude for the Office of the Secretary of State (SOS) as they implement their new financial disclosure technology making access and transparency available to Idahoans.

S 1113  
RELATING TO CAMPAIGN FINANCE REPORTS for the promotion of openness and public confidence by those giving financial support to election campaigns and transparency to the political process.

Chairwoman Lodge described what the bill does on a page-by-page basis. The points she covered were: definitions, electioneering communication, addition of local government offices which will be added to the SOS data base, types of political subdivisions of the state or special districts excluding legislative, judicial, statewide, or federal office. The bill further describes the role of the political treasurer and local clerks.

Chairwoman Lodge said the next major change was in Reports of Contributions and Expenditures By Candidates and Political Committees on page 7. She read directly from the bill and explained in detail what the section meant. The section covered statements, reporting, dollar amounts, contributions, time frames and due dates, and expenditures and encumbrances. She described the rules, inspections, roll of SOS, and clerks. There was also some clean-up language.
DISCUSSION: Senator Souza asked if the SOS will come up with a creative graphic to notify all necessary candidates and groups.

Vice Chairman Harris recognized the Secretary of State, Lawrence Denny to answer questions. Mr. Denny replied they would do that.

Senator Stennett discussed her concerns over the SOS’s available manpower, immediacy and amount of reporting that is expected, local government infrastructure, and the lack of grace time to train all those involved.

Mr. Denny answered that they are in the process of doing the campaign finance portion and it won’t be ready until July, 2019. The implementation for this is January 1, 2020 so there are no elections that will be impacted. There will be a transition period but there is time to address that issue. Senator Stennett said, in the event there is confusion and lack of proper reporting, the steps to demand or collect penalties will be in place and the SOS’s office will have to decide how to handle those requirements. Mr. Denny responded that by the time this bill goes into effect, all of these questions will be solved. There will be elections before that time to allow the SOS, cities, and counties to be prepared and provide some experience. Senator Stennett asked if a deadline isn’t met, and the fine not paid, what recourse does the SOS have. Mr. Denny said there is no recourse. They turn it over to the Attorney General’s office. There has been no precedent of that happening. It is $50 per day so it could be a substantial amount.

TESTIMONY: Phil McGrane, Ada County Clerk, stated the manpower for enforcing the new program is not restricted to only the SOS, but is also a shared responsibility by the 44 county clerks who will have enforcement authority, specifically within those local jurisdictions. Additionally, the fines referenced earlier are for timely reporting. Timely reporting has been an issue in past elections. He agreed with Senator Stennett that there will be some issues in terms of accuracy, and there are no fines to correct mistakes that have been made. He said those fines will ensure timely reporting.

Senator Stennett reiterated her concerns about manpower, training, and the ability to do what is needed. Mr. McGrane stated his confidence in his colleagues and others. Comparing this legislation to the status quo, it is significant that where we are today can be easily improved. He continued to explain what happens now with campaign finance reporting in the 79 jurisdictions filing throughout the state. He concluded by explaining that combining this information in one place with easy access will dramatically improve transparency throughout the state. It may not be perfect but it will be a vast improvement. Senator Stennett stated that, right now, it was his feeling that all of the counties have the ability electronically and the staff to do what is being asked in this legislation. Mr. McGrane answered he did not. He explained the obligation of the SOS prescribed by this legislation is to establish an online database; it hasn't been established. The SOS is well underway in developing those tools. The county clerks will be working with the SOS through the statewide database and with the cooperative effort, anticipate having it done as early as this spring, and certainly before January.

Senator Winder asked Mr. McGrane if they had plans to educate city officials, and anyone running in a local election, how to use the software. Also, if the SOS would address this same issue and the public awareness programs. Mr. McGrane responded that those specific plans have not been outlined yet. The implementation plans are for the software. There has been conversation about education the SOS office will provide to the clerks. There will be a process to notify all public officials who are obligated to report or have a treasurer. He explained how the smaller jurisdictions would be included. Ongoing training
sessions have been in place for a long time and those will continue. By bringing everything into a centralized database, it will not only make it central, hopefully, it will do the math.

Senator Souza asked Mr. McGrane what kind of feedback they are receiving regarding the new program. Mr. McGrane stated the transition is smooth and has much easier and is better than paper reports; the most compelling is centralizing the information and turning it into data. He also said it is exponentially increasing the amount of transparency compared to the current paper system, and if someone does not have access to the internet, the SOS office can still issue a paper copy.

**TESTIMONY:** Alex LeBeau, President of the Idaho Association of Commerce and Industry (Association), gave his credentials. He stated he is the treasurer of two of the largest Political Action Committees (PAC) who authorized him to speak on their behalf. He stated they are in full support of S 1113 as well as S 1114. They provided a number of different recommendations and said there must be a balance between free speech and the public right to know who is or who is not speaking, and the discussion topic. Mr. LeBeau said the purpose of this legislation is to promote public confidence in government, to promote openness and transparency by those giving financial support to election campaigns, and to identify those promoting or opposing legislation or attempting to influence executive or administrative actions via financial compensation. It is very important and central to everything that the work of the CFC be praised. He insisted S 1113 allows for greater transparency and stated the public deserves to know campaigns are fundamentally a public process; this bill allows for more information to aid in the decision making process. For voters to make informed decisions, they need all of the information possibly available. It is important for the public to know who is discussing important issues and that is why the Association approves of this bill.

**MOTION:** Senator Anthon moved to send S 1113 to the floor with a do pass recommendation. Senator Souza seconded the motion. The motion carried by voice vote

S 1114 RELATING TO CAMPAIGN FINANCE to increase transparency in campaign finance for statewide, legislative and local elections.

Chairwoman Lodge stated S 1114 provides a way to release information that will increase transparency to participants and the public relating to statewide, legislative, and local elections.

Vice Chairman Harris announced that, due to time constraints, the presentation will be postponed until the next meeting but the Committee will hear testimony on S 1114 from those who have traveled from out of town.

**TESTIMONY:** Tyler Martinez, Institute of Free Speech, spoke in opposition to S 1114. He stated they have several constitutional concerns with S 1114. Mr. Martinez’s concern about expanding the electioneering communications window isn’t really about transparency, it is about requiring citizens to register and report to the government in order to speak on legislative issues. This bill expands the time period and is two and one-half times longer than the time frame in federal law. It covers more than federal law does by including social media, pamphlets, and flyers in addition to TV and radio ads. He stated the bill is too extreme for what Idaho needs right now. Colorado and Montana have similar laws and there has been litigation as a result.

**DISCUSSION:** Senator Souza asked Mr. Martinez if he would support this bill if the language was changed to be more ambiguous. Mr. Martinez replied in the affirmative.
Senator Vick asked Mr. Martinez if he believed he would try to have the bill struck down if it is passed in its current form. Mr. Martinez replied in the affirmative and stated any enterprising lawyer would like to challenge the bill with the current language if it passed.

Senator Stennett asked if non-profit organizations endorsing candidates would be prohibited from doing the work they normally do. Mr. Martinez said the bill would be a burden on any type of education related non-profit organization. Their donors would have to be disclosed if this bill passed; the law itself does not ban non-profit organizations endorsing candidates but it would dissuade voters from participating in the political process.

TESTIMONY: Sean Parnell, Vice President, Public Policy at the Philanthropy Roundtable, spoke in opposition to the bill. Mr. Parnell said he is most concerned about the requirement of 501c3 organizations to disclose their donor lists which have, historically, remained anonymous. Mr. Parnell stated that the definition of electioneering communication is broad and would ignore that long history. Other nonprofit organizations routinely and actively engage in public policy issues and that is reflected in some of their communications. Mr. Parnell voiced his opinion that this bill would make the citizenry worse off if these disclosures were to be made.

Senator Souza restated her question regarding "unambiguously refers" and changing that phrase to a specific candidate or measure. Mr. Parnell said that would go part way in answering their objection; 501c3 charities are, by law, prohibited from engaging in any sort of partisan elections. They are allowed to support ballot measures.

Vice Chairman Harris announced that the hearing for S 1114 will continue on Friday, February 22, 2019.

ADJOURNED: There being no further business, Vice Chairman Harris adjourned the meeting at 10:37 a.m.
## AGENDA

### SENATE STATE AFFAIRS COMMITTEE

8:00 A.M.
Room WW55
Friday, February 22, 2019

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<tr>
<th>SUBJECT</th>
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<tr>
<td>VOTE ON GUBERNATORIAL APPOINTMENT:</td>
<td>The Gubernatorial re-appointment of Janet Gallimore as State Historical Preservation Officer.</td>
<td>Chad Houck, Deputy Secretary of State</td>
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<tr>
<td>RS26868C1</td>
<td>RELATING TO LOBBYING to modify Sunshine Law definitions and procedures pertaining to lobbyists and lobbyist reporting.</td>
<td>Vice Chairman Harris</td>
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<tr>
<td>RS26921</td>
<td>STATING FINDINGS OF THE LEGISLATURE to reject a portion of a rule relating to the Division of Purchasing.</td>
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<tr>
<td>S 1076</td>
<td>RELATING TO LIQUOR STORES CONTINUED to authorize sample tasting of liquor in certain instances.</td>
<td>Kate Haas, Kestrel West</td>
</tr>
<tr>
<td>S 1114</td>
<td>RELATING TO CAMPAIGN FINANCE to increase transparency in campaign finance for statewide, legislative and local elections.</td>
<td>Chairwoman Lodge</td>
</tr>
<tr>
<td>S 1111</td>
<td>RELATING TO THE REVISED UNIFORM LAW ON NOTARIAL ACTS to allow communication technology.</td>
<td>Chad Houck, Deputy Secretary of State</td>
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### MINUTES APPROVAL:

Minutes of January 21, 2019
Senator Hill and Senator Anthon

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*If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.*

### COMMITTEE MEMBERS

Chairman Lodge  
Vice Chairman Harris  
Sen Hill  
Sen Winder  
Sen Vick

### COMMITTEE SECRETARY

Twyla Melton  
Room: WW42  
Phone: 332-1326  
email: sstaf@senate.idaho.gov
DATE: Friday, February 22, 2019
TIME: 8:00 A.M.
PLACE: Room WW55

MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, and Stennett

ABSENT/EXCUSED: Senator Buckner-Webb

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 8:04 a.m.

VOTE ON The Gubernatorial re-appointment of Janet Gallimore as State Historical Preservation Officer.

RE-APPOINTMENT:

MOTION: Senator Stennett moved to send the Gubernatorial re-appointment of Janet Gallimore as State Historical Preservation Officer to the floor with the recommendation that she be confirmed by the Senate. Vice Chairman Harris seconded the motion. The motion carried by voice vote.

RS 26868C1 RELATING TO LOBBYING to modify Sunshine Law definitions and procedures pertaining to lobbyists and lobbyists reporting.

Chad Houck, Deputy Secretary of State, explained that RS 26868C1 clarifies the types of relationships between lobbyists and their employers or clients, and provides a process for filing and notification of electronic reports to employers or clients. The legislation was prepared with the assistance of a lobbyist panel appointed by the president of the lobbyist association. The panel consisted of Pam Eaton, representing the trade association lobbyists; Jason Ronk, representing the designated corporate lobbyists; and Jason Kreizenbeck, representing the contract lobbyists.

Senator Souza asked Mr. Houck to explain what the changes are and why they were brought forward. Mr. Houck described the bill and definitions therein. The objectives are to create correlations between a contractor and a client, a contractor and an employee, and what a lobbyist registration statement shall include. In addition, this bill provides that the employer or client will not have to sign the report; the lobbyist will be the only signature needed. Fines can be incurred if statements are not timely.

MOTION: Senator Hill moved to send RS 26868C1 to print. Senator Anthon seconded the motion. The motion carried by voice vote.

RS 26921 STATING FINDINGS OF THE LEGISLATURE to reject a portion of a rule relating to the Division of Purchasing.

Vice Chairman Harris explained this resolution rejects IDAPA 38.05.01, Rules of the Division of Purchasing, Section 114., Subsection 02.b adopted as a pending rule under Docket Number 38-0501-1801.
MOTION: Vice Chairman Harris moved to send RS 26921 to print. Senator Souza seconded the motion.

Chairwoman Lodge reminded the Committee that the Department of Administration requested that this section be rejected.

The motion carried by voice vote.

S 1076 RELATING TO LIQUOR STORES CONTINUED to authorize sample tasting of liquor in certain instances.

Kate Haas, Kestrel West, on behalf of the Distilled Spirits Council, noted that this is a continuation of the discussion from the last meeting regarding S 1076 that would allow sampling in liquor stores. The bill was held to clarify the authority in existing statute and rules to enable the creation of rules around this bill and to determine if amendments would be necessary. Ms. Haas stated Dennis Stevenson, Administrative Rules Coordinator, assisted in identifying the information in Idaho Code § 23-206(b) that gives explicit rulemaking authority under the powers and duties of the Director of the Idaho State Liquor Division and the Idaho Liquor Board. This gives the Director rulemaking authority. Ms. Haas said she and Director Jeff Anderson had conversations confirming that they both are solidly committed to rule making after the session ends. They are also committed to delay any sampling until the rules are in place. During the conversations with Director Anderson, they agreed to address some of the concerns that arose during Wednesday’s meeting with regard to the smaller, more accessible contract stores where it may not be appropriate to have a sampling. That issue could possibly be addressed in rule to prevent samplings in those environments.

MOTION: Senator Souza moved to send S 1076 to the floor with a do pass recommendation. Senator Anthon seconded the motion. The motion carried by voice vote. Senator Hill and Senator Harris requested that they be recorded as voting nay.

PASSED THE GAVEL: Chairwoman Lodge passed the gavel to Vice Chairman Harris.

S 1114 RELATING TO CAMPAIGN FINANCE to increase transparency in campaign finance for statewide, legislative, and local elections.

Chairwoman Lodge explained that S 1114 is about electioneering and finance in a campaign and how the public wants transparency and sunshine in these areas. She went through the bill and explained the changes starting with the definition of a candidate. The definition of election was updated because it now includes state, local, general, special, recall, and primary elections. Information from all those elections will go into the Secretary of State’s (SOS) database. Electioneering Communication is a concern covered in this bill; meaning "any paid communication to members of the public". The key words are "public" and "paid"; those words include voters or potential voters for public office or a ballot measure. Chairwoman Lodge read from the bill on page 2, lines 33-46, for clarification. She went on to explain in detail what the term "independent expenditure" means and how it applied to campaign finance. This portion of the bill points out the differences between what an expenditure is and what it is not. Chairwoman Lodge continued discussions on conduct, local government office, measures, social media, and statement due dates. The bill clarifies exactly what donations must be reported. There was also some clean up language. Chairwoman Lodge stated that the whole idea of the Campaign Finance Committee (Finance Committee) was to make campaign financing more transparent, make it easier for people to use, find information, and make it easier for the SOS to collect the data.
DISCUSSION:

Senator Souza recalled that she was hesitant to endorse the time period expansion from the filing date for the candidates through the general election for the election communication section. The language in this section that says "unambiguously refers" is referring to a specific candidate or measure for the extended time period, which takes up three quarters of the year. Substituting the same wording on page 4 under the independent expenditures "expressly advocating the election passage or defeat of a clearly identified candidate or measure" rather than "unambiguously refers" could make it clearer.

Chairwoman Lodge stated she would be willing to take that suggestion to the Finance Committee. She has asked for an extension for the Campaign Finance Committee for next year.

One challenge to be overcome is the difference between what a Political Action Committee (PAC) does and what lobbying is done by a 501(c)(3) or a 501(c)(4) and their ability to lobby and not report anything, including membership. It is not relevant to know who their members are, but it is necessary to have transparency about where the money is coming from.

Senator Vick referred to page 1, line 25, and the definition of a candidate and social media. He asked if someone could announce their candidacy through social media. Senator Lodge responded that until they file, they are not a bonafide candidate.

Representative Fred Wood, District 27, responded to Senator Vick's question. This bill is principally clean-up language. A declaration for candidacy is "I have made a decision that I am going to run in the next election to replace a certain Senator." Anything less specific is not a declaration of candidacy. Any of the verbiage here can be argued.

Senator Vick referred to section (d) and quoted "made an expenditure contracted for service or reserved space". This statement made sense before the advent of websites. Senator Vick asked if this type of issue was discussed in the Finance Committee. Representative Wood responded that he didn't recall any specific conversation concerning renting space. The relevant issue is intent. After renting this space, actively making plans, taking action, and/or spreading the word to be a candidate could reasonably be viewed as intent to use the space as a candidate.

Brian Kane, Idaho State Attorney General's Office, came forward to answer the question. The plain language of the definition of candidate is "an individual who seeks nomination, election, or re-election to public office and who has taken any of the following actions." If one reserves a specific web presence but is not actively seeking a nomination, election, or re-election at that point, then these provisions wouldn't be triggered. It requires the conjunctive; one has to do both; seek the nomination and take the steps.

Senator Hill questioned the difference between the language in subsection (2) that has been stricken, "announces publicly or files for office," and replaced by subsection (a) and (b), "announced the individual's candidacy publicly, filed for public office." He queried if the difference between what has been struck and what has been added might cause some concern. Mr. Kane referred to the last explanation where one must actively seek the office and then take one of those affirmative steps. If the first part of a statement is a bare statement without the second part of seeking the office, the other parts do not come into play. Putting the two together becomes the act that applies. To raise money, a C1 must be filed with the Secretary of State at that point. This bill clarifies the former definition by creating both the active seeking of office plus one of the steps necessary to demonstrate active seeking of office; it becomes a combination.
Senator Souza asked Mr. Kane to comment on a question she asked Chairwoman Lodge about "unambiguously refers." Mr. Kane stated that the phrase is language that is replicated across the nation and has been examined by the U.S. Supreme Court and additional circuit courts. It is a term that narrows the application of electioneering communication because in order to qualify as an electioneering communication, it must unambiguously refer to either a candidate or a measure. There are some that say these amendments will stifle the ability of folks to discuss government affairs; it doesn't stifle those discussions. It does require an examination of whether it falls under the reporting system. With a general discussion of a certain measure, there is no prohibition or limitation. The unambiguous language is specifically designed to narrow the scope of the application of these provisions. Senator Souza asked if Mr. Kane is saying that "unambiguously refers" is more narrower in its definition than what is used in the independent expenditure definition. Mr. Kane said he couldn't say one or the other is clearer. Senator Souza extended her question to include mentioning any comment related or not, would they be referred to as a candidate; would that only be clear to those in the legal profession, not the general public. Mr. Kane quantified the thresholds for this to apply, it is only going to apply to a statement that crosses the expenditure threshold, which is $1000. He also explained the time element.

Senator Stennett outlined a scenario regarding 501c3s that get membership money for being able to advocate for or inform. If they are talking about a topic or issue, is it required that they also must report their membership. Mr. Kane said it depends on the requirements. If a donation is to be reported, it must $250 and within the reporting period. Senator Stennett stated that if a $250 membership is given to educate and inform the public within the reporting period, it is required to be reported and could stifle the ability to inform and educate the public. She asked if that affected the fist amendment and the ability to talk freely about what is happening in government. Mr. Kane stated his belief that these amendments to the statute are defensible based on existing case law. What is being asked is more of a philosophical debate.

Senator Vick asked if a letter campaign was initiated, would donors have to be reported. Mr. Kane said that it must be a paid communication. No one gets paid for a simple letter writing campaign. If they do get paid, it must exceed the $1,000 threshold. Senator Vick asked for confirmation that both the activity and donations must be in the reportable period for it to be reported. Mr. Kane said there are two reporting requirements; there is the requirement the expenditure as a whole be reported. However, if it is individual donors, they only have to be disclosed if they cross the $250 threshold during the reporting period.

Senator Hill stated the focus should be on what this bill does. The current language under Idaho Code § 67-6628, Electioneering Communications, says "Any person who conducts or transmits any electioneering communication . . . on a form provided by the Secretary of State." The changes in this bill says it now has to be over $1,000 where the old bill didn't. The reporting goes to $250 instead of $50. Both instances lower the standard. Senator Hill said the definition of electioneering communication tightens this bill and says it must be paid. It also greatly broadens the time period, that is a concern for some. Mr. Kane agreed with Senator Hill's analysis. The reporting period has been broadened as has the election season.

Senator Souza referred to page 7, line 11 that says "during the calendar year" and was not sure what that was referring to. Would it be better to change that phrase to "during the reporting period"? Mr. Kane stated that is a determination for the Finance Committee to make.
Senator Winder read lines 13-18, page 3, and asked Mr. Kane to explain what it means and if it deals with the issues that are being discussed. Mr. Kane stated this is referring to a senator regarding a piece of legislation. That removes most of the concerns related by the Committee.

**TESTIMONY:**

Alex LeBeau identified himself as President of the Idaho Association of Commerce and Industry, Treasurer of the Idaho Prosperity Fund, and the former Treasurer of the Realtors Political Action Committee. He has been involved in campaigns most of the actions involved in these laws.

The distinguishing fact of this bill is whether or not one is simply informing someone else; there is a difference between informing and attempting to influence. The purpose is to promote public confidence and openness in government, and promote transparency by those giving financial support when promoting or opposing legislation. The bill also adds, in addition to those seeking election, those that are seeking re-election. Not only is communication being tightened, the area of "paid" is tightened and has to be within time frames. Mr. LeBeau continued to explain in depth about the coordination of campaigns, and what constitutes an independent expenditure. He commented about collusion and the type of exclusions included in the legislation.

Senator Stennett asked if organizations like PACs have attempted to influence rather than inform and if he was comfortable with the $250 reporting level and time period. Mr. LeBeau replied that his associates try to influence and they do all the disclosures appropriately and reports all money.

**TESTIMONY:**

Jason Risch, Attorney with Risch Pisca, legal council to the Idaho Association of Realtors, stated he provides political consulting on campaign finance to candidates of both political parties. Mr. Risch described how the Supreme Court heard cases on this issue and how they came up with their most recent decisions that allowed this type of statute to stand.

Senator Souza asked if the extension of the time period would provide the potential for problems with some 501(c)(3) groups. Mr. Risch answered it would not extensively affect those groups.

Kathy Griesmyer, Policy Director for American Civil Liberties Union (ACLU), spoke of concerns about this legislation (attachment 1). She said they believe the proposed language is too broad and will have unintended consequences in how traditional 501(c)(3) nonprofit organizations do their work. The primary concern has to do with the proposed expanded timeframe. She used ACLU as an example and explained some of their policies. She questioned the word "paid" since what "paid" means can be ambiguous and explained why. Ms. Griesmyer also discussed issues regarding fundraising, communication, and disclosure under the electioneering communications definition and offered some recommendations that would be appropriate.

Fred Birnbaum, Idaho Freedom Foundation, spoke in opposition to this bill and offered some recommendations. His concern was the electioneering communications (EC) changes. He reviewed some information from a report he had obtained regarding EC regulations by state. He said if S 1114 passed, only South Dakota would have a broader EC statute than Idaho regarding the timeframe. Mr. Birnbaum commented in detail about why the timeframe and related dates, communication, and donations for EC is problematic.

Kerry Uhlenkot, Legislative Coordinator for Right to Life of Idaho (RTL), asked the Committee to vote no or amend S 1114. RTL and its affiliates have a long history of opposing campaign finance because of its attack on First Amendment rights. It also curbs grassroots lobbying. Another issue of importance is that non-profits and charities should not be required to report
the names and addresses of their supporters to a government agency. Ms. Uhlenkot provided details on how this requirement would affect non-profits.

**Senator Winder** asked if there was a way to clarify the difference between RTL's normal activities and electioneering. Ms. Uhlenkot responded that they are a 501(c)(4) with an internal 501(c)(3). They have a website and Facebook. She inquired if, for example, accommodation was given to a senator for his support of a pro-life bill, that would that be considered electioneering; it is a concern.

**Amy Little**, President and CEO of the Idaho Nonprofit Center (Center), stated she represents over 6500 nonprofits across the state. The Center is a 501(c)(3) organization with a mission to educate, advocate, and collaborate in support of stronger nonprofits. Ms. Little stated they are in agreement with the ACLU and other nonprofits. The Center has not taken an official position at this time. She is here to express some concerns with the way this legislation is currently written. She outlined several issues and gave examples for clarity. She also noted they have a donor Bill of Rights that ensures gifts to their organization from donors who wish to remain private will remain private.

**Ron Nate**, Senior Fellow and founding member of the Madison Liberty Institute, a 501(c)(3) nonprofit in Rexburg, Idaho, spoke in opposition to S 1114. Mr. Nate stated his concerns were partly with the intent of the bill and with the unintended secondary effects, particularly with the electioneering sections on pages 2 and 7. For an electioneering communication to be defined as such, it needs to be paid publicly and unambiguously refer to an election, candidate, or measure. As Ms. Griesmeyer pointed out, the definition of "paid" is very unclear. Expense needs to be clarified; any communication effort involves expense. He also provided several examples of what could happen if donor names were released. Mr. Nate said the intentions may be good, but the secondary effects are problematic; he recommends the bill be amended in ways that Ms. Griesmeyer suggested.

**WRITTEN TESTIMONY:**

Tyler Martinez, Attorney, Institute for Free Speech, submitted written testimony stating constitutional and practical concerns (attachment 2).

**MOTION:**

Senator Anthon moved that S 1114 be held in Committee. Senator Souza seconded the motion.

**DISCUSSION:**

Senator Winder asked Senator Anthon to state his intention in holding this bill.

Senator Anthon clarified that he had no intention of killing this bill; he is in favor of these types of reforms. The intent was to hold the bill at the discretion of the Chair.

Senator Winder asked Mr. Kane to report back to the Committee whether or not certain points pertaining to the law were already covered in current law.

Senator Winder stated that more education is needed for both the proponents and opponents to the bill to ensure there is a clear understanding of it. He will support the motion with the intent that the bill move forward, but with a better understanding of what is contained in the bill.

Senator Vick said it was helpful to have this hearing and have the sponsor read through and explain the bill. He will support the motion.

Senator Stennett explained that she was on the Finance Committee and there were a lot of changes to the bill. Although there was a herculean effort to get a perfect product, at the end there still could be some changes. She is in support of the efforts this bill embodies. The coalition of diversity in today's discussion is a true indicator that, if a few word changes are made, this will be a very good product.
Senator Souza stated her support of this motion for similar reasons that Senator Stennett voiced. She explained that, while on the Finance Committee, she questioned the expanded window of time, and she has tried to find a way to mitigate some of the negatives that imparts. A possible amendment may make this bill a reality by the end of the session. She is willing to work on it a bit more.

**VOICE VOTE:** The motion to hold S 1114 in Committee carried by **voice vote**

**ADJOURNED:** Vice Chairman Harris stated the remaining agenda items will be rescheduled and adjourned the meeting at 10:10 a.m.

___________________________ __________________________
Senator Lodge, Chair Twyla Melton, Secretary
Testimony of Kathy Griesmyer  
SB 1114: Campaign Finance Reform – “Electioneering Communication”  
Before Senate State Affairs Committee  
February 20, 2019

The ACLU of Idaho stands before you today to express our concerns with SB 1114 given the overly broad definition for “electioneering communication” and electioneering communication statements requiring donor disclosure. Both proposals outlined in this legislation directly impacts the First Amendment rights of non-profit organizations who operate in Idaho, as well as Idaho donors who financially support the charitable work of many of these non-profit entities throughout the state.

Campaign finance reform has been a long debated issue at the Idaho Legislature, and the ACLU of Idaho also agrees that our campaign finance system needs to be reformed. For that reason, we support public financing programs that provide candidates with resources to mount a meaningful challenge against wealthy opponents, such as the matching dollar system in the Fair Elections Now Act. We support tailored disclosure requirements. We support stronger rules to ensure that outside political advocates are not illegally coordinating their activities with candidates. And we support reasonable limits on direct contributions to candidates.

However, the proposals included in SB 1114, which are being promoted as a method for shining light on “dark money” in Idaho would institute a host of new restrictions and regulations on political speech and advocacy that would violate the First Amendment rights of all Idahoans. Under the amended definition of “electioneering communication” in 67-6602(6)(a), any publicly circulated communication that “unambiguously refers to a specific candidate or measure to be on the ballot,” if shared between the early candidate filing deadline in March through midnight of the general election would be considered electioneering communication. Because of this significantly expanded timeframe, SB 1114 isn’t just about regulating election-related speech. It could also apply to speech intended to “influence” state government actions, especially those that take place during the final weeks of the legislative session.

For example: If a non-profit organization were to put out a call-to-action to members of the public, along with their members (both groups considered voters or potential voters) to call their legislators (specifically lawmakers that are to be on the ballot) to advocate for changes in a particular law, they might rethink their organizing strategy, thus censoring themselves from in engaging in a pure issue/policy discussion unconnected to an election. The same could apply for an organization that puts together a legislative report that recaps the policy issues they worked on in accordance of furthering their organizational mission. If they were to discuss a partnership they had with a lawmaker (specifically one that is to be on the ballot) in advancing legislation together, said report could now be considered electioneering communication despite the communication’s intent to provide an objective report of legislative activity – not to advocate for the election of a particular candidate.

That problem is compounded, moreover, by the inherent difficulty in deciding what speech is campaign-related and thus subject to regulation. A virtual ban on issue advocacy achieved through redefining “electioneering communication” in an unconstitutionally vague and over-broad manner is highly problematic. The Supreme Court has held that only express advocacy, narrowly defined, can be subject...
to campaign finance controls. The key is the inclusion of an explicit directive to vote for or vote against a candidate. Minus the explicit directive or so-called "bright-line" test, the Secretary of State will decide what constitutes express advocacy. Few non-profit issue groups will want to risk their tax status or incur legal expenses to engage in speech that could be interpreted by the Secretary of State's office to have an influence on the outcome of an election.

Such a broad definition for "electioneering communication" is constitutionally suspect, and as such, we believe subject to further amendments. To address the First Amendment concerns outlined above, we recommend adding several additional exemptions to 67-6602(6)(b), including:

- (vi) A communication paid for by an organization operating under section 501(c)(3) of the Internal Revenue Code;
- (vii) A communication made while the legislature is in session which, incidental to promoting or opposing a specific piece of legislation pending before the legislature, that urges the audience to communicate with a member or members of the legislature concerning that piece of legislation;
- (viii) A communication, such as a voter's guide, which refers to all of the candidates for one or more offices, which contains no appearance of endorsement for or opposition to the nomination or election of any candidate and which is intended as nonpartisan public education focused on issues and voting history.

We also believe that the "electioneering communication" definition could be improved by adding a definition for what "paid" means under 67-6602. The currently undefined term is unclear as to what is to be considered "paid" – relevant staff time preparing a public communication piece, website hosting costs, the fees associated with using a constituent email program? Given the $1,000 threshold under 67-6628(1) Electioneering Communication -- Statements, a clearer definition is needed for organizations to determine if they are potentially subject to donor disclosure. We propose that "paid" means any direct cost charged by a vendor related to the producing or airing of electioneering communications, such as studio rental time, staff salaries, costs of video or audio recording media and talent, or the cost of airtime on broadcast, cable and satellite radio and television stations, studio time, material costs, the charges for a broker to purchase the airtime and internet communications placed for a fee on the website of another person, business entity, or political action committee.

Our other critical concern relates to the donor disclosure requirement under 67-6628(1) Electioneering Communication -- Statements. The ACLU of Idaho agrees that Idahoans have a right to know who is spending money to influence the outcome of elections and who is supporting or opposing candidates and ballot initiatives. But any legislation requiring disclosure of donor names must be drawn carefully not to sweep more broadly than that. Otherwise, groups engaged in genuine issue advocacy regarding the issues of the day could see their speech chilled. Privacy in one's associations is integral to the freedom of speech guaranteed by the Constitution – particularly when unpopular opinions are expressed.

To protect the First Amendment speech and association rights of Idahoans, the state should include precise definitions limiting the application of this law to 'express advocacy' of the election or defeat of a candidate for office or the adoption or rejection of a statewide referendum or ballot initiative done through the funding of an electioneering communication. Therefore, we also recommend that 67-
6628(1), line 12 be amended to add “which was made for the purpose of furthering electioneering communications” after “together with the date and amount of each donation.”

We respect the Legislature’s desires regarding more transparency around campaign funding and we want to be sure advocacy on important issues of the day remains unrestrained. These two goals are both worthy and not mutually exclusive. When it comes to the political process, we all have a right to be heard and we hope that the amendments provided through our testimony today provide the Legislature with the opportunity to advance campaign finance reform in a meaningful way while respecting the First Amendment rights of Idahoans and Idaho non-profit organizations. Thank you.
Testimony of Kathy Griesmyer
SB 1114: Campaign Finance Reform – “Electioneering Communication”
Before Senate State Affairs Committee
February 20, 2019

The ACLU of Idaho stands before you today to express our concerns with SB 1114 given the overly broad definition for “electioneering communication” and electioneering communication statements requiring donor disclosure. Both proposals outlined in this legislation directly impacts the First Amendment rights of non-profit organizations who operate in Idaho, as well as Idaho donors who financially support the charitable work of many of these non-profit entities throughout the state.

Campaign finance reform has been a long debated issue at the Idaho Legislature, and the ACLU of Idaho also agrees that our campaign finance system needs to be reformed. For that reason, we support public financing programs that provide candidates with resources to mount a meaningful challenge against wealthy opponents, such as the matching dollar system in the Fair Elections Now Act. We support tailored disclosure requirements. We support stronger rules to ensure that outside political advocates are not illegally coordinating their activities with candidates. And we support reasonable limits on direct contributions to candidates.

However, the proposals included in SB 1114, which are being promoted as a method for shining light on “dark money” in Idaho would institute a host of new restrictions and regulations on political speech and advocacy that would violate the First Amendment rights of all Idahoans. Under the amended definition of “electioneering communication” in 67-6602(6)(a), any publicly circulated communication that “unambiguously refers to a specific candidate or measure to be on the ballot,” if shared between the early candidate filing deadline in March through midnight of the general election would be considered electioneering communication. Because of this significantly expanded timeframe, SB 1114 isn’t just about regulating election-related speech. It could also apply to speech intended to “influence” state government actions, especially those that take place during the final weeks of the legislative session.

For example: If a non-profit organization were to put out a call-to-action to members of the public, along with their members (both groups considered voters or potential voters) to call their legislators (specifically lawmakers that are to be on the ballot) to advocate for changes in a particular law, they might rethink their organizing strategy, thus censoring themselves from in engaging in a pure issue/policy discussion unconnected to an election. The same could apply for an organization that puts together a legislative report that recap the policy issues they worked on in accordance of furthering their organizational mission. If they were to discuss a partnership they had with a lawmaker (specifically one that is to be on the ballot) in advancing legislation together, said report could now be considered electioneering communication despite the communication’s intent to provide an objective report of legislative activity – not to advocate for the election of a particular candidate.

That problem is compounded, moreover, by the inherent difficulty in deciding what speech is campaign-related and thus subject to regulation. A virtual ban on issue advocacy achieved through redefining “electioneering communication” in an unconstitutionally vague and over-broad manner is highly problematic. The Supreme Court has held that only express advocacy, narrowly defined, can be subject

For questions or comments, contact Kathy Griesmyer, Policy Director, at 208-344-9750 x1204.
to campaign finance controls. The key is the inclusion of an explicit directive to vote for or vote against a candidate. Minus the explicit directive or so-called “bright-line” test, the Secretary of State will decide what constitutes express advocacy. Few non-profit issue groups will want to risk their tax status or incur legal expenses to engage in speech that could be interpreted by the Secretary of State’s office to have an influence on the outcome of an election.

Such a broad definition for “electioneering communication” is constitutionally suspect, and as such, we believe subject to further amendments. To address the First Amendment concerns outlined above, we recommend adding several additional exemptions to 67-6602(6)(b), including:

- (vi) A communication paid for by an organization operating under section 501(c)(3) of the Internal Revenue Code;
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To protect the First Amendment speech and association rights of Idahoans, the state should include precise definitions limiting the application of this law to ‘express advocacy’ of the election or defeat of a candidate for office or the adoption or rejection of a statewide referendum or ballot initiative done through the funding of an electioneering communication. Therefore, we also recommend that 67-

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Idaho

6628(1), line 12 be amended to add “which was made for the purpose of furthering electioneering communications” after “together with the date and amount of each donation.”

We respect the Legislature’s desires regarding more transparency around campaign funding and we want to be sure advocacy on important issues of the day remains unrestrained. These two goals are both worthy and not mutually exclusive. When it comes to the political process, we all have a right to be heard and we hope that the amendments provided through our testimony today provide the Legislature with the opportunity to advance campaign finance reform in a meaningful way while respecting the First Amendment rights of Idahoans and Idaho non-profit organizations. Thank you.

For questions or comments, contact Kathy Griesmyer, Policy Director, at 208-344-9750 x1204.
AGENDA
SENATE STATE AFFAIRS COMMITTEE
8:00 A.M.
Room WW55
Monday, February 25, 2019

<table>
<thead>
<tr>
<th>SUBJECT</th>
<th>DESCRIPTION</th>
<th>PRESENTER</th>
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<tbody>
<tr>
<td>RS26923</td>
<td><strong>UNANIMOUS CONSENT REQUEST</strong> from the Commerce and Human Resources Committee relating to Electrical Contractors and Journeymen.</td>
<td>Senator Patrick</td>
</tr>
<tr>
<td>H 68</td>
<td><strong>RELATING TO RETIREMENT</strong> to conform statute with a recent directive of the Citizen's Committee on Legislative Compensation.</td>
<td>Representative Harris</td>
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<tr>
<td>H 73</td>
<td><strong>RELATING TO THE DIVISION OF FINANCIAL MANAGEMENT</strong> to transition the Office of the Administrative Rules Coordinator to the Division of Financial Management.</td>
<td>Alex Adams, Division of Financial Management</td>
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<tr>
<td>S 1111</td>
<td><strong>RELATING TO THE REVISED UNIFORM LAW ON NOTARIAL ACTS</strong> to allow communication technology.</td>
<td>Chad Houck, Deputy, Idaho Secretary of State</td>
</tr>
<tr>
<td>S 1112</td>
<td><strong>RELATING TO CODIFIER’S CORRECTIONS</strong> to make various codifier and technical corrections to Idaho Code.</td>
<td>Katharine Gerrity, Legislative Branch</td>
</tr>
<tr>
<td>MINUTES</td>
<td>Minutes of January 21, 2019</td>
<td>Senator Hill and Senator Anthon</td>
</tr>
<tr>
<td>APPROVAL:</td>
<td></td>
<td>Vice Chairman Harris and Senator Souza</td>
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If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS
Chairman Lodge
Vice Chairman Harris
Sen Hill
Sen Winder
Sen Vick

COMMITTEE SECRETARY
Twyla Melton
Room: WW42
Phone: 332-1326
email: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Monday, February 25, 2019
TIME: 8:00 A.M.
PLACE: Room WW55

MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Vick, Anthon, Souza, Stennett, and Buckner-Webb

ABSENT/EXCUSED: Senator Winder

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 8:07 a.m.

RS 26923 UNANIMOUS CONSENT REQUEST from the Commerce and Human Resources Committee relating to Electrical Contractors and Journeymen.

MOTION: Senator Vick moved to send RS 26923 to print. Senator Anthon seconded the motion. The motion carried by voice vote.

H 68 RELATING TO RETIREMENT to conform Idaho statute with a recent directive of the Citizen's Committee on Legislative Compensation (CCC).

Representative Steve Harris, District 21, introduced H 68. There is a special pension perk in code specifically for those legislators who eventually go to full-time state employment. The CCC ended this practice last November. The purpose of this legislation is to put Idaho statute into conformity with this new direction when determining retirement benefits; the standard split calculation will be used. Legislators elected after July 1, 2019, who go to full-time state employment will use this new method of calculation. Those already in office will continue to follow the current statute. Those elected after July 2019 will fall under the guidance that the CCC provided that goes into effect with H 68. This calculation will be made in the same manner as any other part-time elected or appointed official.

Senator Hill asked for an explanation of the standard split calculation which will affect the new legislators. Representative Harris responded with an example of a 30 year part-time mayor who was then appointed as a full-time state employee. That mayor would move from a part-time status to full-time status. From the Public Employee Retirement System of Idaho's (PERSI) point of view, the mayor would have been paying into PERSI all those part-time years at a moderate rate, then when going to a full-time salary, a higher rate would be paid. PERSI has a split calculation that takes full-time and part-time employment and combines them to calculate an appropriate final amount. PERSI is a defined "benefits program" where benefits are guaranteed so it is important that the appropriate calculation is done in order for the funds paid in and taken out to be the appropriate amounts. The standard split calculation results in a two-to-one ratio; that is how it works for all part-time government employees who go into full-time state employment. There is an exception for Idaho legislators. A legislator is exempt from that calculation. For a legislator, once 42 months of full-time employment has been reached, every year of part-time legislative employment now counts as full-time.
Senator Hill asked if there were different levels of part-time employees in the earlier years; if an employee working 20 hours per week got more credit for months worked as opposed to an employee working 10 hours per week. Representative Harris explained that there is only one definition of part-time. How PERSI determines part-time or full-time is not addressed here. That wouldn't be a distinguishing factor.

**MOTION:** Senator Vick moved to send H 68 to the floor with a do pass recommendation. Vice Chairman Harris seconded the motion. The motion carried by voice vote.

H 73 **RELATING TO THE DIVISION OF FINANCIAL MANAGEMENT** to transition the Office of the Administrative Rules Coordinator to the Division of Financial Management.

Alex Adams, Division of Financial Management (DFM), explained that H 63 is a cooperative effort between the DFM and the Department of Administration. This bill will move the Office of the Administrative Rules Coordinator to the DFM. That means the whole process will be in one place, from the submission of the administrative rules form to the final form the legislature reviews each year. The DFM has met with agencies that engage heavily in rulemaking and they spoke highly of this concept. This will not eliminate any jobs. The three jobs currently located in the Office of the Rules Coordinator will transfer to the DFM. This change will not in any way change the legislative oversight of the rules.

**MOTION:** Senator Souza moved to send H 73 to the floor with a do pass recommendation. Senator Stennett seconded the motion. The motion carried by voice vote.

S 1111 **RELATING TO THE REVISED UNIFORM LAW ON NOTARIAL ACTS** to allow communication technology.

Chad Houck, Deputy, Idaho Secretary of State, stated that the Office of the Secretary of State (SOS) is proposing this legislation to enable the notarization of a document by an Idaho notary from a remotely located individual through the use of communication technology. The process includes proving the identity of those involved. This process, known as remote notarization, is already used in Montana and Washington. Language would require counties to accept electronically notarized records for recording. There is no fiscal impact anticipated to the General Fund and state government. Additionally, there is negligible impact to the county clerks and recorders. Most Idaho counties, 43 out of 44, already accept electronic format documents as a standard due to legislation that was passed in 2018.

Senator Stennett asked how this process would look electronically. Mr. Houck explained that it could be envisioned as a secured Skype call. The system uses electronic methods of communication on both ends of the transaction. A licensed notary would be able to make a secure call connection through a software product that has been certified and registered with the SOS. Mr. Houck continued to give a detailed description of how the whole process would work. At the conclusion of the transaction, a recording is retained by the notary as evidence along with any available physical materials.

Chairwoman Lodge asked how much it would cost the person who was getting the notarization services. Mr. Houck replied that statute sets a limit of $5.00 per transaction.

Senator Hill inquired about the cost of the software and asked if the notary would have to purchase additional software. Mr. Houck responded that the costs are often absorbed by associations or in the closing costs of a transaction. There were several associations involved in drafting this bill; title company associations, the realtors’ association, and credit union associations. Notaries are not out to make a lot of money, they generally belong to a corporation, association, or a number of other organizations.
Vice Chairman Harris noted that the counties will be required to accept electronically notarized records. He asked if counties had been contacted about S 1111. Mr. Houck stated the clerks are supportive with the exception of one clerk who has been resistant to electronic recording. This actually streamlines their process.

MOTION: Senator Stennett moved to send S 1111 to the floor with a do pass recommendation. Senator Hill seconded the motion. The motion carried by voice vote.

S 1112 RELATING TO CODIFIER’S CORRECTIONS to make various codifier and technical corrections to Idaho Code

Katharine Gerrity, Legislative Branch, explained that this bill is the Legislative Services Office (LSO) annual codifier corrections bill. There are 12 sections of the code included this year. The proposed revisions include suggested corrections to code reference revisions and technical corrections that involve grammar and punctuation changes to match LSO's standard writing style. There is no fiscal impact as a result of the bill. The actions necessary to compile the bill are done by LSO staff in the course of their duties.

MOTION: Vice Chairman Harris moved to send S 1112 to the floor with a do pass recommendation. Senator Buckner-Webb seconded the motion. The motion carried by voice vote.

MINUTES APPROVAL:

MOTION: Senator Hill moved to approve the Minutes of January 21, 2019. Senator Anthon seconded the motion. The motion carried by voice vote.

Vice Chairman Harris moved to approve the Minutes of January 25, 2019. Senator Souza seconded the motion. The motion carried by voice vote.

ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 8:33 a.m.

___________________________  __________________________
Senator Lodge  Twyla Melton
Chair  Secretary
# AMENDED AGENDA #3

**SENATE STATE AFFAIRS COMMITTEE**  
*8:00 A.M.*  
**Room WW55**  
**Wednesday, February 27, 2019**

<table>
<thead>
<tr>
<th>SUBJECT</th>
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<tbody>
<tr>
<td>RS26901</td>
<td><strong>UNANIMOUS CONSENT REQUEST</strong> from the Commerce and Human Resources Committee to reject a certain rule of the Industrial Commission related to Workers' Compensation Law, Security for Compensation, and Self-Insured Employers.</td>
<td>Senator Patrick</td>
</tr>
<tr>
<td>RS26902</td>
<td><strong>UNANIMOUS CONSENT REQUEST</strong> from the Commerce and Human Resources Committee to reject a certain rule related to Workers' Compensation Law, Security for Compensation, and Insurance Carriers.</td>
<td>Senator Patrick</td>
</tr>
<tr>
<td>RS26903</td>
<td><strong>UNANIMOUS CONSENT REQUEST</strong> from the Commerce and Human Resources Committee to reject a certain rule related to the Idaho Division of Building Safety – Idaho Plumbing Code.</td>
<td>Senator Patrick</td>
</tr>
<tr>
<td>S 1079</td>
<td><strong>RELATING TO VETERANS</strong> to allow Veterans Services to offer emergency relief grants in certain instances.</td>
<td>Senator Woodward</td>
</tr>
<tr>
<td>S 1081</td>
<td><strong>RELATING TO VETERANS</strong> to repeal Section 65-208, Idaho Code relating to transportation of wheelchair-bound veterans.</td>
<td>Senator Woodward</td>
</tr>
<tr>
<td>S 1080</td>
<td><strong>RELATING TO VETERANS</strong> to provide that interest generated by moneys invested in the Veterans Recognition Income Fund shall be maintained by the Division of Veterans Services.</td>
<td>Senator Crabtree</td>
</tr>
<tr>
<td>S 1078</td>
<td><strong>RELATING TO BEER</strong> to allow a craft brew facility to contract with others wishing to brew at their facility.</td>
<td>Senator Crabtree</td>
</tr>
<tr>
<td>H 63</td>
<td><strong>RELATING TO WINE</strong> to revise the definition of &quot;Dessert Wine&quot;.</td>
<td>Roger Batt, Association Management Group</td>
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</tbody>
</table>

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**COMMITTEE MEMBERS**  
Chairman Lodge  
Vice Chairman Harris  
Sen Hill  
Sen Winder  
Sen Vick  
Sen Anthon  
Sen Souza  
Sen Stennett  
Sen Buckner-Webb

**COMMITTEE SECRETARY**  
Twyla Melton  
Room: WW42  
Phone: 332-1326  
email: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Wednesday, February 27, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Souza, Stennett, and Buckner-Webb
ABSENT/EXCUSED: Senator Anthon

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 8:05 a.m.

RS 26901 UNANIMOUS CONSENT REQUEST from the Commerce and Human Resources Committee (Commerce Committee) to reject a certain rule of the Industrial Commission related to Workers' Compensation Law, Security for Compensation, and Self-Insured Employers.

RS 26902 UNANIMOUS CONSENT REQUEST from the Commerce Committee to reject a certain rule related to Workers' Compensation Law, Security for Compensation, and Insurance Carriers.

RS 26903 UNANIMOUS CONSENT REQUEST from the Commerce Committee to reject a certain rule related to the Idaho Division of Building Safety – Idaho Plumbing Code.

Senator Jim Patrick, District 25, explained the Commerce Committee has rejected these three separate rules related to two workers compensation rules and one with the building plumbing and safety code. There are small differences in each request. Senator Patrick requested the Committee send all three RSs to print.

MOTION: Senator Hill moved to send RS 26901, RS 26902, and RS 26903 to print. Senator Souza seconded the motion. The motion carried by voice vote.

S 1079 RELATING TO VETERANS to allow Veterans Services to offer emergency relief grants in certain instances.

Senator Jim Woodward, District 1, said S 1079 is a revision to the Veteran's Code. The changes allow more people to be eligible for services provided to veterans in the State of Idaho. The program is in place but this changes it from only wartime or disabled destitute veterans to all destitute veterans.

MOTION: Vice Chairman Harris moved to send S 1079 to the floor with a do pass recommendation. Senator Souza seconded the motion.

Senator Winder asked what the source of this change request was. Senator Woodward answered that this comes from Marv Hagedorn, Chief Administrator, Idaho Division of Veterans Services. They have not fully utilized the funds in the current program, and they have had to turn down requests even tho the veteran, who was not a war time veteran, was in need of assistance.

The motion carried by voice vote.

S 1081 RELATING TO VETERANS to repeal Idaho Code § 65-208, relating to transportation of wheelchair-bound veterans.
Senator Woodward explained that the objective of S 1081 was to delete Idaho Code § 65-208 which was first put into place in 2002. There is another program that provides the same services. This is a duplication of efforts, the program is not necessary and has not been used.

DISCUSSION: Chairwoman Lodge confirmed that rather than Veterans Services providing vans, the veterans can use any other transportation services that are available. Senator Woodward concurred.

Senator Vick asked if this change was also at the request of Mr. Hagedorn. Senator Woodward responded in the affirmative.

Senator Stennett asked what other forms of transportation are they relegated to. Senator Woodward answered that he wasn't sure, only that Mr. Hagedorn stated other modes of transportation were available and this part of the service is not being used.

MOTION: Senator Souza moved to send S 1081 to the floor with a do pass recommendation. Senator Vick seconded the motion. The motion carried by voice vote.

S 1080 RELATING TO VETERANS to provide that interest generated by moneys invested in the Veterans Recognition Income Fund shall be maintained by the Division of Veterans Services.

Senator Carl Crabtree, District 7, explained that this bill has a $480 impact to the General Fund. This bill allows the transfer of funds from the Idaho Veterans Recognition Fund to the Idaho Veterans Recognition Income Fund (Income Fund). Previously, this money has gone to the General Fund first. This change allows those moneys to go directly to the Income Fund.

DISCUSSION: Senator Stennett ask if it has been cumbersome having those funds go to the General Fund first. Senator Crabtree stated it may not be extremely cumbersome, but the question is, why are the funds going to the General Fund and then right back to the Income Fund. The funds should go directly to the Income Fund and kept in the department.

MOTION: Senator Souza moved to send S 1080 to the floor with a do pass recommendation. Senator Stennett seconded the motion. The motion carried by voice vote.

S 1078 RELATING TO BEER to allow a craft brew facility to contract with others wishing to brew at their facility.

Senator Crabtree discussed contract brewing in Idaho. This bill does not increase the amount of beer brewed, it allows brewers to use other brewers' facilities to make beer. Senator Crabtree provided background about how the brewery system works. Each brewery in Idaho has the opportunity to make 30,000 barrels of beer. Some breweries have large capacities, others are small. This bill would allow the smaller breweries to use the facilities of the larger brewers, but not expand the number of barrels of beer brewed. This arrangement would increase income for those large capacity brewers, and it allows smaller capacity brewers to meet their market demands, but it does not increase the total number of barrels of beer allowed in Idaho.

DISCUSSION: Senator Stennett asked if this is a similar idea to wineries blending grapes from different producers and creating a wine at one winery that is doing the production. Senator Crabtree responded that in the case of beer, the small brewery will take their recipe to another brewery and allow that brewery to use their recipe to brew beer. The resulting barrels of beer would be counted against the small brewery's allocation.

Vice Chairman Harris inquired about where the small breweries make their beer now. Senator Crabtree answered with an example where a brewery in Wallace
couldn't brew enough to meet the market demand and there are breweries in Boise that have more capacity than they need; the brewery in Wallace can hire the brewery in Boise to produce its beer. Those barrels that are produced count against the Wallace brewery's allocation of 30,000 barrels.

Chairwoman Lodge said the grape industry has been doing this for several years and it helped to grow those smaller businesses.

TESTIMONY: Sheila Francis, Executive Director for Idaho Brewers United for the Statewide Brewer's Guild, said Senator Crabtree covered the bill and she would stand for any questions. Ms. Francis responded to Senator Stennett's question, stating there is no blending but they use their recipe at another facility.

DISCUSSION: Senator Souza asked if this bill is designed so a small business person who can't finance a large brewery can pay a fee to a larger brewer, thus it is helpful to both. Ms. Francis agreed, it is mutually beneficial. The smaller brewer is able to bridge the gap while waiting until they are able to increase their capacity. The larger brewery can utilize their excess capacity. The smaller brewery would pay a negotiated fee to the larger brewery.

Senator Hill asked if there are provisions in this bill or elsewhere in the law that would prohibit a large brewery from setting up multiple smaller breweries around the state, and continue to produce the beer in their large facility, and contracting with the smaller breweries to avoid the 30,000 barrel limit. Ms. Francis said there is a current provision in statute that a brewery can only have one location plus a secondary remote tap location. In addition, an owner can only have a stake in two breweries. There is a limit to the number of locations.

MOTION: Senator Vick moved to send S 1078 to the floor with a do pass recommendation. Senator Buckner-Webb seconded the motion. The motion carried by voice vote.

H 63 RELATING TO WINE to revise the definition of "Dessert Wine".

Roger Batt, representing the Idaho Grape Growers and Wine Producers Commission, said that H 63 is the result of some changes made to the dessert wine definition two years ago, which created the current interpretation that products not considered dessert wine by the industry can be labeled and marketed as dessert wine. These products include Vermouth, Quinquina, and Amerciano; they are considered aromatized wines. This bill fixes this issue and clarifies what dessert wine is, not only according to industry standards, but it also aligns Idaho's definition so it is more consistent with the federal definition of dessert wine.

MOTION: Senator Stennett moved to send H 63 to the floor with a do pass recommendation. Senator Souza seconded the motion. The motion carried by voice vote.

ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 8:28 a.m.
AMENDED AGENDA #1
SENATE STATE AFFAIRS COMMITTEE
8:00 A.M.
Room WW55
Friday, March 01, 2019

<table>
<thead>
<tr>
<th>SUBJECT</th>
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</tr>
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<tbody>
<tr>
<td>RS26983</td>
<td>UNANIMOUS CONSENT REQUEST from the Resources and Environment Committee relating to Fish and Game to revise provisions regarding payment of certain damages caused by depredation.</td>
<td>Senator Bracket</td>
</tr>
<tr>
<td>RS26994</td>
<td>RELATED TO UNCLAIMED PROPERTY to provide for broadband service and to provide a certain exemption for a non-profit corporation.</td>
<td>Will Hart, Idaho Consumer-Owned Utilities Association</td>
</tr>
<tr>
<td>RS27009</td>
<td>RELATING TO LOBBYING to modify Sunshine Law definitions and procedures pertaining to Lobbyists and Lobbyist reporting.</td>
<td>Chad Houck, Deputy Secretary of State</td>
</tr>
<tr>
<td>RS26970</td>
<td>RELATING TO EXPLODING TARGETS to make Idaho Code on state lands consistent with federal lands laws.</td>
<td>Senator Stennett</td>
</tr>
<tr>
<td>H 156</td>
<td>RELATING TO FIREARMS to amend a definition of what constitutes a retired law enforcement officer.</td>
<td>Representative Scott and Chairwoman Lodge</td>
</tr>
<tr>
<td>H 157</td>
<td>RELATING TO ALCOHOL to provide for an exception for theaters built prior to 1950.</td>
<td>Representative Erpelding</td>
</tr>
<tr>
<td>S 1040</td>
<td>RELATING TO LIQUOR related to the issuance of state liquor licenses.</td>
<td>Senator Rice</td>
</tr>
</tbody>
</table>

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS
Chairman Lodge
Vice Chairman Harris
Sen Hill
Sen Winder
Sen Vick

COMMITTEE SECRETARY
Twyla Melton
Room: WW42
Phone: 332-1326
email: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Friday, March 01, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, and Stennett
ABSENT/EXCUSED: Senator Buckner-Webb

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 8:01 a.m. with a quorum present.

UNANIMOUS CONSENT REQUEST: Chairwoman Lodge asked for unanimous consent that the agenda be amended to move H 157 to the top of the agenda. There being no objections, H 157 was taken up first.

H 157 RELATING TO ALCOHOL to provide for an exception for theaters built prior to 1950.

Representative Erpelding explained that H 157 allows historic theaters built before 1950 and those acknowledged by the National Register of Historic Places to sell beer and wine. Theaters in small communities are typically the center piece in downtown, they have provided areas with a potential to bring in revenue by leasing the venues for events such as weddings. There are 13 operating theaters that would benefit from an increase in leasing interest and sales. Two theaters that fit these parameters were not on the list as they were non-operational.

MOTION: Senator Stennett moved to send H 157 to the floor with a do pass recommendation. Senator Anthon seconded the motion. The motion carried by voice vote. Vice Chairman Harris requested that be recorded as voting nay.

RS 26983 UNANIMOUS CONSENT REQUEST from the Resources and Environment Committee relating to Fish and Game to revise provisions regarding payment of certain damages caused by depredation.

Senator Bracket stated the intent was to place a cap on the amount paid on any single depredation claim, not to exceed 10 percent of the appropriated money in the depredation claim, and applies to pass-through or other household members.

MOTION: Vice Chairman Harris moved to send RS 26983 to print. Senator Anthon seconded the motion. The motion carried by voice vote.

RS 26994 RELATED TO UNCLAIMED PROPERTY to provide for broadband service and to provide a certain exemption for a non-profit corporation.

Will Hart, Idaho Consumer-Owned Utilities Association, said RS 26994 regards unclaimed patronage capital credits and replaces S 1132, which was presented to the Committee the week prior. Two changes took place, requested by the State Treasurer.

MOTION: Senator Hill moved to send RS 26994 to print. Senator Anthon seconded the motion. The motion carried by voice vote.
RS 27009  RELATING TO LOBBYING to modify Sunshine Law definitions and procedures pertaining to Lobbyists and Lobbyist reporting.

Chad Houck, Deputy Secretary of State, said the intention was to replace S 1137, which was not heard by the Committee. In order to incorporate requests and additional information, a redraft took place.

MOTION:  Senator Souza moved to send RS 27009 to print. Senator Vick seconded the motion. The motion carried by voice vote.

RS 26970  RELATING TO EXPLODING TARGETS to make Idaho Code on state lands consistent with federal lands laws.

Senator Stennett said the purpose was to assimilate Idaho and federal lands code prohibiting incendiary devices during the designated fire season. The offense will be classified as a misdemeanor, sentencing and recovery of damages are at the judge’s discretion. Private property does not apply.

MOTION: Senator Hill moved to send RS 26970 to print. Senator Vick seconded the motion. The motion carried by voice vote.

H 156  RELATING TO FIREARMS to amend a definition of what constitutes a retired law enforcement officer.

Representative Scott explained that H 156 regards card 218, a special concealed carry card for retired law enforcement officers. Currently, the regulations require 15 years of service before an officer is issued the concealed weapons carry card; H 156 seeks to shorten the time to 10 years.

MOTION: Senator Anthon moved to send H 156 to the floor with a do pass recommendation. Vice Chairman Harris seconded the motion. The motion carried by voice vote.

S 1040  RELATING TO LIQUOR related to the issuance of state liquor licenses.

Senator Rice explained that S 1040 was held in Committee to allow interested parties time to contemplate and adapt the bill. He asked they send S 1040 to the 14th Order for possible amendment. Changes were made since S 1040 was held in Committee.

DISCUSSION: Senator Vick expressed concern with sending S 1040 to the 14th Order as the changes were extensive, requiring more time to digest.

TESTIMONY: Rod Neilsen, testifying on behalf of himself, concurred that time was necessary to read and understand the bill.

MOTION: Senator Anthon moved that S 1040 be held subject to the call of the Chair. Vice Chairman Harris seconded the motion. The motion carried by voice vote.

ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 8:35 a.m.

__________________________

Senator Lodge, Chair                                    Twyla Melton, Secretary

__________________________

Assisted by Bryce Delay
# AMENDED AGENDA #2
## SENATE STATE AFFAIRS COMMITTEE
### 8:00 A.M.
Room WW55
Monday, March 04, 2019

<table>
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<tr>
<th>SUBJECT</th>
<th>DESCRIPTION</th>
<th>PRESENTER</th>
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<tbody>
<tr>
<td>RS27018</td>
<td>RELATING TO INITIATIVES AND REFERENCE TO INITIATIVES AND REFERENDUMS to increase voter involvement in the voter initiative/referendum process.</td>
<td>Senator Grow</td>
</tr>
<tr>
<td>RS27021</td>
<td>RELATING TO ALCOHOL to create certain categories of licenses and enhanced training.</td>
<td>Senator Rice</td>
</tr>
<tr>
<td>H 134</td>
<td>RELATING TO ALCOHOLIC BEVERAGES to define the term &quot;plaza&quot; and to provide that plaza be added to Section 23-944 (3), Idaho Code.</td>
<td>Representative Syme</td>
</tr>
<tr>
<td>H 155</td>
<td>RELATING TO LIQUOR LICENSES to revise the definition of &quot;year-round resort&quot; and to provide for certain boundaries.</td>
<td>Representative Gestrin</td>
</tr>
<tr>
<td>H 171</td>
<td>RELATING TO ELECTIONS to clarify election processes currently in Idaho Code.</td>
<td>Tim Hurst, Chief Deputy, Secretary of State</td>
</tr>
<tr>
<td>H 173</td>
<td>RELATING TO ELECTIONS to increase the threshold when a precinct becomes a vote-by-mail precinct.</td>
<td>Representative Crane</td>
</tr>
<tr>
<td>SJR 102</td>
<td>PROPOSING AN AMENDMENT TO SECTION 22, ARTICLE I, OF THE CONSTITUTION OF THE STATE OF IDAHO relating to the rights of crime victims.</td>
<td>Senator Lakey</td>
</tr>
</tbody>
</table>

*If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.*

**COMMITTEE MEMBERS**
- Chairman Lodge
- Vice Chairman Harris
- Sen Hill
- Sen Winder
- Sen Vick

**COMMITTEE SECRETARY**
- Twyla Melton
  - Room: WW42
  - Phone: 332-1326
  - Email: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Monday, March 04, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon,
ABSENT/EXCUSED: Senator Buckner-Webb
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 convened the Senate State Affairs Committee (Committee) at 8:07 a.m., with a quorum present.
RS 27018 RELATING TO INITIATIVES AND REFERENDUMS to increase voter involvement in the voter initiative/referendum process.

Senator Scott Grow, District 14, introduced RS 27018 to the Committee stating that the purpose of this legislation is to increase voter involvement in the voter initiative/referendum process and to require additional explanatory information during the process and on the ballot. He indicated under existing law, county clerks already verify initiative/referendum signatures for 18 legislative districts. This bill would require signatures to be verified by county clerks for 14 additional districts and the total signatures to be verified in each district would increase from 6 percent to 10 percent of registered voters.

MOTION: Vice Chairman Harris moved to send RS 27018 to print. Senator Anthon seconded the motion.
DISCUSSION: Senator Stennett noted this proposed legislation seems to require a lot more signature gathering and much more reporting in addition to burdening the county clerks. She asked why this will be better. Senator Grow indicated that under the current law, four metropolitan counties can get an initiative on the ballot, so the effort here is to allow the rural districts to also be involved in the process.

VOICE VOTE: The motion to send RS 27018 to print carried by voice vote.
RS 27021 RELATING TO ALCOHOL to create certain categories of licenses and enhanced training.

Senator Jim Rice, District 10, stated this legislation was discussed by the Committee last week and the technical corrections noted at that meeting have been made.

MOTION: Senator Anthon moved to send RS 27021 to print. Senator Vick seconded the motion. The motion carried by voice vote.
H 134 RELATING TO ALCOHOLIC BEVERAGES to define the term "plaza" and to provide that plaza be added to Section 23-944(3), Idaho Code.
Representative Scott Syme, District 11, stated this legislation is proposed to reduce bureaucracy when it comes to allowing individuals under the age of 21 to be present in a plaza area where beer and wine are served. It adds the word "plaza" to the list of definitions included under the Idaho Alcohol Beverage Code, and allows the city to accept an application that has been filed with and approved by the Idaho State Police, thus eliminating the current requirement to duplicate that application with the city.

DISCUSSION: Senator Souza asked for confirmation that this would take place in an area that is already designated to be an area where beer and wine can be served and that the only change is to allow those under 21 to be in that same area. Representative Syme indicated that is correct.

MOTION: Senator Souza moved to send H 134 to the floor with a do pass recommendation. Senator Anthon seconded the motion. The motion carried by voice vote.

AGENDA ORDER CHANGE:

H 173 RELATING TO ELECTIONS to increase the threshold when a precinct becomes a vote-by-mail precinct.

Representative Brent Crane, District 13, stated county clerks have brought forward an issue they are facing in small rural counties where individuals would like to vote by mail. He explained that Idaho currently allows precincts with up to 125 electors to be mail-in precincts. This legislation raises the floor to 140 and sets the ceiling at 151. He stated this is not automatic, but gives the county commissioners an option to make a precinct with 140 or less registered electors a vote-by-mail precinct.

DISCUSSION: Senator Sten nett asked what determined the 140 threshold and 151 cap. Representative Crane stated those numbers were negotiated with the Association of Counties. Senator Vick asked if a precinct with less than 140 registered electors is automatically a mail-in ballot precinct. Representative Crane responded that a precinct which contains no more than 140 registered electors may be designated by the county commissioners as a mail-in-ballot precinct, but it is not automatic.

Senator Souza asked why the voters who have difficulty getting to a polling place could not apply for an absentee ballot. She stated this would be an affirmative action by the registered voter. Representative Crane responded they could do that. He added that he did not see this as a significant shift and was comfortable in bringing the bill forward.

TESTIMONY: Tim Hurst, Chief Deputy, Office of the Idaho Secretary of State, stated mail-in ballot precincts make it easier in places like Idaho County where voters must drive over the mountain to get to the courthouse. He also indicated in large rural counties like Cassia, they may establish polling places in barns or houses, and those places may not be accessible to those with disabilities.

DISCUSSION: Senator Vick asked who draws the precinct lines. Mr. Hurst advised the county commissioners do.

MOTION: Vice Chairman Harris moved to send H 173 to the floor with a do pass recommendation. Senator Anthon seconded the motion. The motion carried by voice vote. Senator Vick and Senator Souza requested they be recorded as voting nay.

H 155 RELATING TO LIQUOR LICENSES to revise the definition of "year-round resort" and to provide for certain boundaries.
Representative Terry Gestrin, District 8, indicated Tamarac Resort is within his district; that the resort has gone through bad times, but is under new ownership; and that within the next year, new leases are expected for restaurant and bar facilities. He described in detail the features that will make Tamarac a year-round resort. He stated Alcohol and Beverage Control (ABC) can issue 12 licenses for a year-round resort. He stated Tamarac wants to know that they can move forward and lease spaces, with some certainty that these lessees will be able to access those licenses.

Representative Gestrin introduced Scott Turlington, representing Tamarac Resort, who painted a picture of the long ten-year financial struggle for the resort and indicated it is finally on track to become yet another premier tourism destination in Idaho. He stated that H 155 does not increase the number of licenses available within the resort, and it does not create an opening for any other golf course that is currently without a license. The two primary definition adjustments deal with the boundaries of the resort and the use of the resort's golf course. Mr. Turlington provided a slide showing the boundaries of Tamarac Resort, and a short video showing the resort facilities and golf course at this time. He noted it will take approximately 12 to 18 months to rehabilitate the golf course. Work on interior portions of some buildings will begin next month, and over the course of the summer, leases will be negotiated with operators. Mr. Turlington stated that these third-party operators need this regulatory mechanism in the statute in order to go to ABC and make an application.

DISCUSSION: Chairwoman Lodge asked if there is an estimate of what the economic impact will be on the area when Tamarac is up and running. Mr. Turlington advised he does not have current numbers. He indicated there are 160 employees today, and many of them will carry over to the summer season. As construction workers are brought in this spring they will increase the work force for those skilled trades. Chairwoman Lodge asked if there are any restaurants operating at this time. Mr. Turlington indicated there are two: Fern and Feather, an evening dining experience and Canoe Grill, a cafeteria style restaurant. He also advised there are approximately 365 housing units in Tamarac.

Senator Vick asked if there is a restriction on the number of restaurants within the resort that can serve alcohol. Mr. Turlington advised there is, and as the resort is built out there will be two to three at the most over the next 15 years. Mr. Turlington explained the management operation of Tamarac for Senator Vick. He stated initially the developer is the decision maker, then a majority of the association board makes decisions. The Village will also have an association that oversees its operations. They all funnel up to what is called a master association board which currently is the majority ownership, but it will eventually transition into an association of homeowners and business owners.

Vice Chairman Harris asked if there are any other resorts or areas in the State of Idaho that this legislation would affect. Mr. Turlington indicated he was not aware of any.

Representative Gestrin followed up by indicating this is an important bill for his district, but it is also important to the endowment of the State of Idaho, as the ski area and portion of the golf course are leased from the State of Idaho.

MOTION: Senator Vick moved to send H 155 to the floor with a do pass recommendation. Senator Anthon seconded the motion. The motion carried by voice vote.

H 171 RELATING TO ELECTIONS to clarify election processes currently in Idaho Code.

Mr. Hurst stated that H 171 is basically a language clean up and modernization. It moves various deadlines so they fall on a Friday instead of falling on a weekend, and removes some obsolete language.
DISCUSSION: Senator Souza referred to recent instances where there were qualification issues, and asked for an assurance that there is an effort to clarify the statute language defining a qualified elector so that everyone understands what the elements of being a qualified elector are. Mr. Hurst indicated legislation has been proposed to clarify that a qualified elector is not just a resident, but a registered elector. He advised that there is a commitment from the Secretary of State's office to provide more scrutiny up front to determine whether candidates are qualified electors. Chairwoman Lodge noted that an individual moving into an area must register to vote to establish themselves as a registered elector. Mr. Hurst agreed.

MOTION: Senator Souza moved to send H 171 to the floor with a do pass recommendation. Senator Stennett seconded the motion. The motion carried by voice vote.

SJR 102 PROPOSING AN AMENDMENT TO SECTION 22, ARTICLE 1, OF THE CONSTITUTION OF THE STATE OF IDAHO relating to the rights of crime victims.

Senator Todd Lakey, District 12, indicated this bill is an updated version of SJR 101, which the Committee heard earlier. It is proposed to update crime victim’s rights in Idaho, and speaks to four foundational principles: notice; opportunity to be present; opportunity to be heard; and standing.

TESTIMONY: Pamela Lassiter Simlock, President of the Institute for the Prevention of Relationship Violence, spoke in support of SJR 102. Ms. Simlock related several incidents where this legislation would have been beneficial to victims of violence. She stated this law will give victims the ability to choose how to exercise and enforce their rights to ensure that as they evolve through the courts the law does not diminish their rights.

Kathy Griesmeyer, Policy Director, ACLU of Idaho, spoke in opposition to SJR 102. She stated that under the Idaho Constitution and in a number of Idaho codes and statutes, crime victims already have the right to be notified, to be present, and to be heard at various intersections of the criminal justice system. She cautioned that this is a constitutional amendment and if these provisions do not work with our criminal justice system, it will be much more difficult to address and rectify than if it were in statute.

DISCUSSION: Senator Souza discussed with Ms. Griesmeyer the fact that most crime victims do not have the financial ability to go to court and to pay for legal services to take a lawsuit to any level of court, so protection in the Constitution that is equal to the rights of the accused would balance that out. Ms. Griesmeyer countered that with this law, we are creating a constitutional right for crime victims to be able to have an attorney independent from a government attorney. If the State is interested in funding this to the extent to which it is being offered to crime victims, it is going to cost a lot more than indicated in the fiscal note.

TESTIMONY: Tom Arkoosh, attorney, appearing on behalf of the Idaho Association of Criminal Defense Counsel, spoke in opposition to SJR 102. He stated that this legislation should be done in statute and is not appropriate for a constitutional amendment.

DISCUSSION: In response to questions from the Committee, Mr. Arkoosh stated that this law goes beyond clarifying the constitution; it gives standing to a victim, and creates a new third-party advocate in criminal justice proceedings. He compared due process rights of parents in a child protective services action, and stated a victim does not need due process to protect his or her liberties from the State; it is not the victim versus the State, but the victim versus the accused. Mr. Arkoosh stated if this does not work, it will be difficult to make any changes, and there is no reason this cannot be done in statute. He indicated what is needed is money for follow up services with victims.
TESTIMONY:  Professor Paul Cassell, University of Utah, spoke in support of SJR 102. He referred to a previous memo he provided to the Committee, and stated this will clarify, update, and improve Idaho's Constitution. Responding to a question from the Committee, Professor Cassell indicated that Idaho nonprofit organizations should be able to get grants from the federal government to enforce victim's rights if they can show that there is standing.

Jennifer Martinez, Social Change Associate, Idaho Coalition Against Sexual and Domestic Violence, spoke in opposition to SJR 102. She stated that this is an irresponsible use of public funds and resources; that it is not aimed at addressing any identified collective need of crime victims; and it has unknown consequences, making it inappropriate as a constitutional amendment.

DISCUSSION:  Senator Lakey stated that this resolution provides an enforceable mechanism that allows the victim to have rights balanced at the same level as the accused. It enhances the right of a victim to be heard beyond what is currently provided in the Constitution.

MOTION:  Senator Souza moved to send SJR 102 to the floor with a do pass recommendation. Chairwoman Lodge called for a roll call vote. Vice Chairman Harris, Senators Hill, Winder, Anthon, Souza, and Stennett voted aye. Chairman Lodge and Senator Vick voted nay. The motion carried.

ADJOURNED:  There being no further business, Chairwoman Lodge adjourned the meeting at 10:05 a.m.

___________________________  ___________________________
Senator Lodge  Twyla Melton
Chair       Secretary

____________________________
Assisted by Lois Bencken
### AMENDED AGENDA #1  
**SENATE STATE AFFAIRS COMMITTEE**  
8:00 A.M.  
Room WW55  
Wednesday, March 06, 2019  

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<tr>
<th>SUBJECT</th>
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<tr>
<td>RS26984</td>
<td>UNANIMOUS CONSENT REQUEST from the Transportation Committee regarding a specialty license plate.</td>
<td>Senator Buckner-Webb</td>
</tr>
<tr>
<td>RS27031C1</td>
<td>A JOINT MEMORIAL to explain the Mountain Home Air Force Base Sustainable Water Supply Project.</td>
<td>Senator Brackett</td>
</tr>
<tr>
<td>RS27032</td>
<td>RELATING TO COMMON LAW and Idaho's liability insurance law.</td>
<td>Michael J. Kane, American Property and Casualty Insurance Association</td>
</tr>
<tr>
<td>RS27056</td>
<td>RELATING TO THE HORSE RACING COMMISSION</td>
<td>Chairwoman Lodge</td>
</tr>
<tr>
<td>RS27026</td>
<td>RELATING TO EXPLODING TARGETS to make Idaho Code on State lands consistent with federal land laws.</td>
<td>Senator Stennett</td>
</tr>
<tr>
<td>RS27030</td>
<td>RELATING TO ALCOHOL to provide for an exception for movie theaters in a resort city.</td>
<td>Mark Estess, Partner, Eiguren Ellis Public Policy</td>
</tr>
<tr>
<td>S 1152</td>
<td>RELATING TO UNCLAIMED PROPERTY to exempt patronage capital credits from unclaimed property statutes for certain nonprofit entities distributing electric power, and providing telecommunications and broadband services.</td>
<td>Will Hart, Idaho Consumer-Owned Utilities Association</td>
</tr>
<tr>
<td>S 1153</td>
<td>RELATED TO LOBBYING to modify Sunshine Law definitions and procedures pertaining to Lobbyists and Lobbyist reporting.</td>
<td>Chad Houck, Deputy Secretary of State</td>
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**COMMITTEE MEMBERS**  
Chairman Lodge  
Vice Chairman Harris  
Sen Hill  
Sen Winder  
Sen Vick  

**COMMITTEE SECRETARY**  
Twyla Melton  
Room: WW42  
Phone: 332-1326  
email: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE:       Wednesday, March 06, 2019
TIME:       8:00 A.M.
PLACE:      Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb
ABSENT/ EXCUSED: None
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 8:04 a.m.

RS 26984 UNANIMOUS CONSENT REQUEST from the Transportation Committee regarding a specialty license plate.

Senator Winder stated this request for a specialty license plate is brought by the individuals who oversee the Anne Frank Memorial. The statement on this specialty plate, "Too Great For Hate," is a statement recognizing Idaho as a caring state, one protecting the rights of everyone.

MOTION: Senator Hill moved to send RS 26984 to print. Senator Buckner-Webb seconded the motion. The motion carried by voice vote.

RS 27031C1 A JOINT MEMORIAL to explain the Mountain Home Air Force Base Sustainable Water Supply Project.

Senator Bert Brackett, District 23, stated the purpose of this memorial is to recognize the value of the Mountain Home Air Force Base (Base), and to show support for its long term viability. It also acknowledges the challenge the Base faces with the availability of water due to a declining aquifer. He indicated the Base is one of the state's largest employers, and studies show its annual economic impact to the state is slightly over $1 billion. Senator Brackett advised that the state, in partnership with the U.S. Air Force, is working on a project to provide a sustainable long term water supply from the Snake River.

MOTION: Senator Anthon moved to send RS 27031C1 to print. Senator Winder seconded the motion. The motion carried by voice vote.

RS 27032 RELATING TO COMMON LAW and Idaho's liability insurance law.

Michael Kane, representing the American Property and Casualty Insurance Association, explained that this proposed legislation states that Idaho law controls over out-of- state treatises when it comes to the law of liability insurance. He commented that this legislation is needed because of a new publication by the American Law Institute entitled "Restatement of the Law, Liability Insurance." He stated this new publication speaks to what the law ought to be rather than what the law actually is, and it is being cited by attorneys and courts nationwide. This is extremely concerning for the liability insurance industry.
DISCUSSION: Senator Anthon asked if Idaho courts are citing restatements as authority in their decisions. Mr. Kane advised this is a practice. He indicated restatements are usually bedrock black letter law and can be relied upon; however, this recent publication speaks to what the law ought to be.

MOTION: Senator Anthon moved to send RS 27032 to print. Senator Winder seconded the motion. The motion carried by voice vote.

RS 27056 RELATING TO THE HORSE RACING COMMISSION.
Clayton Russel, President of the Idaho Quarter Horse Racing Association (IQHRA), stated that the Idaho State Racing Commission (ISRC) has enough funding to last only through the 2019 race season. IQHRA has been challenged to come up with some additional funding for ISRC. This legislation comes from research of members of the racing industry. It funds ISRC with money received from Advanced Deposit Wagering, and sets forth a formula for distribution of those funds. The legislation also reduces to three years the waiting period required for transfer of a simulcast and/or televised race license into a county that has previously had a live race license. He stated this would allow someone to open up a simulcast site in Ada County if they get all the necessary permissions from the Ada County Commission.

DISCUSSION: Chairwoman Lodge asked if other counties would be allowed to open up simulcast sites. Mr. Russel indicated they would, provided they transfer a license from one of the current racetracks.

MOTION: Senator Anthon moved to send RS 27056 to print. Vice Chairman Harris seconded the motion. The motion carried by voice vote.

RS 27026 RELATING TO EXPLODING TARGETS to make Idaho Code on State lands consistent with federal land laws.
Senator Stennett advised that the purpose of this legislation is to make Idaho Code consistent with federal land laws prohibiting exploding targets during the designated fire season, which is from May through November. She commented that the escalation of the use of these devices on state and federal lands has caused catastrophic wildfires that have endangered lives, burned hundreds of thousands of acres, and cost millions of dollars. This legislation would classify the crime as a misdemeanor and gives a judge discretion for sentencing terms and cost recovery for damages. Senator Stennett indicated she has consulted with the Idaho Department of Lands, Office of Emergency Management, local sheriffs, law enforcement, and the judiciary in crafting the language for RS 27026.

MOTION: Senator Winder moved to send RS 27026 to print. Senator Souza seconded the motion. The motion carried by voice vote.

RS 27030 RELATING TO ALCOHOL to provide for an exception for movie theaters in a resort city.
Mark Estess, Partner, Eiguren Ellis Public Policy, stated this legislation is intended to address a very specific set of requirements that exist in Idaho Code. It provides that movie theaters located in a resort city have the option of not segregating patrons when they are serving beer or wine on the licensed premises. He indicated Idaho State Police and law enforcement do not see any specific issues with this legislation.

DISCUSSION: Senator Winder asked Mr. Estess what the difference between H 157 and this legislation is. Mr. Estess indicated H 157 deals with the same section of code, but applies only to historic movie theaters.

MOTION: Senator Stennett moved to send RS 27030 to print. Senator Buckner-Webb seconded the motion. The motion carried by voice vote.
S 1152  RELATING TO UNCLAIMED PROPERTY to exempt patronage capital credits from unclaimed property statutes for certain nonprofit entities distributing electric power, and providing telecommunications and broadband services.

Will Hart, Executive Director, Idaho Consumer-Owned Utilities Association (ICUA), advised that S 1152, with changes requested by the Idaho State Treasurer, replaces S 1132 which was presented last month. As a reminder, he indicated cooperatives that distribute electric power and that provide telecommunications and broadband services to their members in rural Idaho are member-owned and member-managed. Because these cooperatives do not earn profits in the sense that other businesses do, any margins or revenues remaining after all expenses have been paid are returned to the members in the form of patronage capital credits. He stated that current code governing unclaimed patronage capital credits requires reporting and maintaining files on members for years, which is costly and burdensome. S 1152 allows flexibility on how these unclaimed funds are managed. The bill allows that the nonprofit cooperatives may continue to report to the state under current code, or elect to be exempt from reporting to the state, and allow the bylaws or policies adopted by the members or the board of the cooperatives to determine unclaimed capital credit policy. Mr. Hart indicated that under the exemption, if the owner of the unclaimed credit has not been located and funds have not been returned within four years after they have been determined to be unclaimed, the nonprofit may use those funds for the benefit of the general membership, or for the communities it serves (for additional comments, see attachment 1).

DISCUSSION: In response to questions from the Committee, Mr. Hart advised that unclaimed funds currently stay on the books as a line item. A list of unclaimed funds is sent to the Idaho State Treasurer on an annual basis, and this is updated when any funds are claimed. Mr. Hart listed the following examples of using unclaimed funds to benefit the membership and the community: lowering rates, extending transmission lines, awarding scholarships for youth to attend leadership rallies at the College of Idaho and upgrading energy efficiency of low income homes. Mr. Hart stated that if the exemption is elected the cooperative does not have the option to reduce the four-year time frame to locate an owner of unclaimed capital credits. They would also be required to follow the procedure set forth in the bill for filing the intent to claim the exemption with the Idaho State Treasurer, and set forth the board's policy for handling the unclaimed funds. He further stated that unclaimed funds are not used to attempt to locate the member. Mr. Hart indicated that the average unclaimed fund is between $100 and $200. He also indicated that if a member shows up several years after funds have been declared unclaimed, and can prove entitlement to unclaimed funds, it is the practice of ICUA to pay the funds. Mr. Hart stated that the exemption procedure would apply to unclaimed capital credits after the bill becomes law.

MOTION: Senator Anthon moved to send S 1152 to the floor with a do pass recommendation. Senator Buckner-Webb seconded the motion.

DISCUSSION: Senator Anthon stated he may have a conflict of interest pursuant to Senate Rule 39(H) but intended to vote, and spoke in support of the bill. He related experiences where unclaimed funds may be overlooked in estate administration, and it is not cost effective to reopen the estate; therefore, the funds continue to go unclaimed. He expressed thanks to the Idaho State Treasurer for helping to bring this bill forward.

VOICE VOTE: The motion to send S 1152 to the floor with a do pass recommendation carried by voice vote.

S 1153  RELATED TO LOBBYING to modify Sunshine Law definitions and procedures pertaining to Lobbyists and Lobbyist reporting.
Chad Houck, Deputy Secretary of State, advised this proposed legislation would modify existing Sunshine Law definitions and procedures pertaining to lobbyists and lobbyist reporting. Specifically, it clarifies the relationship between lobbyists and their employers or clients, and provides for a clear process for electronic filing of reports, and notification of filing to employers or clients that is consistent with current practice. Mr. Houck indicated that it is the collective understanding of those participating in the development of this legislation that this is not perfecting lobbyist registration, but it is improving it. He stated it does stand on its own as a somewhat intermediate measure to lay the groundwork for moving forward. He recognized participants including: Pam Eaton, Jason Kreizenbeck, and Jayson Ronk, representing contract lobbyists, corporate lobbyists and association lobbyists. He also recognized Elizabeth Criner, who represented the entire lobbyist association, and Alex LaBeau, representing the Chamber of Commerce.

Mr. Houck proceeded to review the various features of the bill. To hear the presentation in full, go to: https://legislature.idaho.gov/sessioninfo/2019/standing committees/SSTA/.

DISCUSSION: Senator Souza noted that this legislation exempts from disclosure personal information collected by the Secretary of State for the purpose of allowing individuals to access the statewide electronic filing system, including any notification e-mail addresses submitted as part of a lobbyist's registration. She asked Mr. Houck to confirm that this exemption included only contact information, is simply to provide privacy, and that the information we need to see as citizens about the disclosures that are required will still be on the website. Mr. Houck indicated that is correct. The data that is on the report will still be public information; what is being excluded is private contact information that is used to create the user account through which the Secretary of State will notify third parties.

Senator Stennett inquired why the reference to "trauma registry" was changed to "time sensitive emergency registry." Mr. Houck indicated that was a proofreader's change to make the language consistent with other sections of the code.

Chairwoman Lodge commented that she believes there was a trauma registry some time ago. Senator Souza noted that through her work on the Health and Welfare Committee, she is aware that there is a time sensitive emergency registry. It is her understanding that this might contain medical emergency situations, and that information would not be available to the public. Senator Stennett also asked why corporations, associations, partnerships, and political parties are referred to as persons. Mr. Houck advised that this definition of person has been in statute for a long time and it is also consistent with the federal use of the term within campaign finance and election law.

MOTION: Vice Chairman Harris moved to send S 1153 to the floor with a do pass recommendation. Senator Souza seconded the motion. The motion carried by voice vote.

ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 9:00 a.m.

________________________________________
Senator Lodge
Chair

________________________________________
Twyla Melton
Secretary

Assisted by Lois Bencken

SENATE STATE AFFAIRS COMMITTEE
Wednesday, March 06, 2019—Minutes—Page 4
Madam Chairwoman, Members of the Committee, my name is Will Hart, I am Executive Director and Legislative Advisor for the Idaho Consumer-Owned Utilities Association also known as “ICUA.” ICUA represents 11 not-for-profit, member-owned and managed rural electric cooperatives. In addition, we are working in partnership with the Idaho Telecom Alliance which represents four not-for-profit member-owned and managed telecommunications and broadband service cooperatives serving in our state.

I am here to ask your support for SB1152 dealing with unclaimed patronage capital credits.

SB1152 replaces SB1132 which I presented to the committee last month. The new Bill includes two changes requested by the State Treasurer whom we worked closely with and were glad to accept.

As a reminder from last week, patronage capital credits represent each member’s allocation of revenue over expenses in their not-for-profit, member-owned and member-managed utility cooperative. Because these cooperatives do not earn profits in the sense that other businesses do, any margins or revenues remaining after all expenses have been paid are returned to the members in the form of patronage capital.

Idaho’s current code governing unclaimed patronage capital requires reporting and maintaining files on members for years and years on end which is costly and burdensome for these local, rural, member-owned and managed utilities.
Maintaining these abandoned funds in perpetuity also handicaps the utilities’ ability to use those funds to the betterment of current members.

Through SB1152, we are asking for flexibility on how we manage these unclaimed funds:

SB1152 would allow:

- Rural electric and telecommunications and broadband cooperatives to continue to report to state under current code OR elect to be exempt from reporting and allow the bylaws or policies adopted by the members or the board of the cooperatives to determine unclaimed capital credit policy.
- The bill allows that if the owner of the unclaimed capital credit has not been located and funds have not been returned within four (4) years after they have been determined to be unclaimed, the non-profit corporation may use the funds for the benefit of the general membership of the corporation or for the communities it serves, as determined by its board of directors.

We ask you to send SB1152 to the floor with a “do pass” recommendation and I am happy to stand for any questions.
AMENDED AGENDA #4
SENATE STATE AFFAIRS COMMITTEE
8:00 A.M.
Room WW55
Friday, March 08, 2019

<table>
<thead>
<tr>
<th>SUBJECT</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>GUBERNATORIAL APPOINTMENT:</td>
<td>THE GUBERNATORIAL APPOINTMENT of Jeff Weak as the Administrator of Information Technology Services.</td>
<td>Jeff Weak, Administrator, Information Tech. Services</td>
</tr>
<tr>
<td>RS27080</td>
<td>UNANIMOUS CONSENT REQUEST from the Senate Transportation Committee for a Joint Memorial to acknowledge Idaho's water rights.</td>
<td>Senator Brackett</td>
</tr>
<tr>
<td>RS27013C1</td>
<td>UNANIMOUS CONSENT REQUEST from the Senate Education Committee relating to Charter Schools.</td>
<td>Senator Winder</td>
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<tr>
<td>RS27075</td>
<td>UNANIMOUS CONSENT REQUEST from the Senate Education Committee relating to Superintendent &amp; Chief Administrator evaluations.</td>
<td>Senator Lent</td>
</tr>
<tr>
<td>RS27050, RS27051, and RS27052</td>
<td>UNANIMOUS CONSENT REQUEST from the Senate Local Government and Tax Committee relating to rule rejections.</td>
<td>Senator Rice</td>
</tr>
<tr>
<td>RS27073</td>
<td>RELATING TO RESIDENTIAL SOLAR ENERGY SYSTEM DISCLOSURE ACT to add a new chapter to Idaho's protection title.</td>
<td>Senator Winder</td>
</tr>
<tr>
<td>RS27079</td>
<td>RELATING TO CAMPAIGN FINANCE</td>
<td>Senator Lodge</td>
</tr>
<tr>
<td>S 1178</td>
<td>RELATING TO EXPLODING TARGETS to make Idaho Code on State lands consistent with federal land laws.</td>
<td>Senator Stennett</td>
</tr>
</tbody>
</table>

MINUTES APPROVAL:
Minutes for January 23, 2019

Minutes for February 25, 2019

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS
Chairman Lodge
Vice Chairman Harris
Sen Hill
Sen Winder
Sen Anthon
Sen Souza
Sen Stennett
Sen Buckner-Webb

COMMITTEE SECRETARY
Twyla Melton
Room: WW42
Phone: 332-1326
email: sstaf@senate.idaho.gov
Sen Vick
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Friday, March 08, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb
ABSENT/EXCUSED: None
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 8:02 a.m.

THE GUBERNATORIAL APPOINTMENT of Jeff Weak as the Administrator of Information Technology Services of Eagle, Idaho, term commencing January 7, 2019 and serving at the pleasure of the Governor.

Mr. Weak provided a brief overview of his background. He noted his current accomplishments, including the creation of Information Services (IT), which serves as a catalyst for the Governor's modernization initiative. He stated he revamped the IT purchasing process for four executive branch agencies, which drives more strategic purchasing decisions for IT products and services. This process has already saved the State over $250,000 in a few short months. Significant improvements have been made to the state’s cybersecurity by instituting the Center for Internet Security critical controls. IT has partnered with the Idaho Division of Human Resources (IDHR) on the state’s first mandatory annual cybersecurity awareness training program. Mr. Weak stated he looked forward to serving the citizens of Idaho.

DISCUSSION: Senator Souza asked Mr. Weak for a quick assessment of cybersecurity and the IT system and how it is integrated in Idaho. Mr. Weak stated he gave the State a grade of “B” for cybersecurity. He reported if the first five controls for internet security are addressed, then the 85 percent of the known threats and vulnerabilities can be minimized or mitigated. He further explained there is a new compliance division coming this year and a system for criminal justice systems. Data has to be locked down and secured.

Chairwoman Lodge indicated the Committee would vote on the Gubernatorial appointment at the next meeting.

RS 27080 UNANIMOUS CONSENT REQUEST from the Senate Transportation Committee for a Joint Memorial to acknowledge Idaho's water rights.

Senator Brackett reported the Joint Memorial is requesting that Congress, the President, the Idaho Department of the Interior, the Idaho Department of Agriculture, and the U. S. Forest Service respect and acknowledge Idaho’s sovereignty over its water rights, its right-of-way for use of water rights, and its desire to remove bureaucratic roadblocks that interfere with Idaho water users' use of their water rights.

MOTION: Senator Vick moved to send RS 27080 to print. Vice Chairman Harris seconded the motion. The motion carried by voice vote.
RS 27013C1  UNANIMOUS CONSENT REQUEST from the Senate Education Committee relating to Charter Schools.

Senator Winder reported charter schools are public schools supported by taxpayer dollars, but too many of those dollars flow right out of the classroom to make interest payments on bonds. Traditional public schools have access to credit enhancements and other financing tools that help lower interest rates on bonds. This bill would create a credit enhancement to help seasoned, stable, public charter schools obtain lower interest rates on bonds so more taxpayer money can stay in the schools. No legal obligation would be created for the State, but a moral obligation would be created.

Senator Winder noted there is no required expenditure from the General Fund. This bill calls for creating a separate fund in the State Treasury to give lenders comfort that if no other money is available, there is a backstop to cover a potential missed payment. The Legislature may appropriate new money or transfer from existing funds for this purpose with no minimum or specific amount required. Participating schools are required to pay into the fund.

MOTION: Senator Souza moved to send RS 27013C1 to print. Senator Hill seconded the motion. The motion carried by voice vote.

RS 27075  UNANIMOUS CONSENT REQUEST from the Senate Education Committee relating to Superintendent and Chief Administrator Evaluations.

Senator Lent reported this legislation assists school boards to complete required annual evaluations for superintendents. It provides sample evaluation criteria, which is approved by the Idaho State Board of Education (ISBE), or allows the school boards to create their own customized superintendent evaluation based on core elements from the ISBE. The intent is to clarify the process and allow school boards to bring focus to a minimal number of key performance indicators associated with student achievement. Additionally, this will utilize existing reporting and bring uniformity to the process of accountability concerning senior level leadership in the Local Education Agencies (LEAs).

MOTION: Senator Buckner-Webb moved to send RS 27075 to print.

Senator Hill queried why this bill was brought so late in the session. Senator Lent explained there was more to the bill originally, but decided to cut it back to this level this year.

Senator Anthon seconded the motion. The motion carried by voice vote.

RS 27050, RS 27051, AND RS 27052  UNANIMOUS CONSENT REQUEST from the Senate Local Government and Tax Committee Relating to Rule Rejections.

Senator Hill explained Senator Rice was unable to be at the meeting, but these are resolutions in order to reject certain dockets of the rules that the Senate Local Government and Tax Committee agreed upon.

MOTION: Senator Hill moved to send RS 27050, RS 27051, and RS 27052 to print. Vice Chairman Harris seconded the motion. The motion carried by voice vote.

RS 27073  RELATING TO RESIDENTIAL SOLAR ENERGY SYSTEM DISCLOSURE ACT (RSESDA) to add a new chapter to Idaho’s protection title.

Senator Winder reported this proposed legislation adds a new chapter to Idaho’s consumer protection title to provide that all retailers of solar energy
systems sold to residential consumers deliver certain disclosures in writing. This would protect the consumer and discourage the growing practice of over-representing the performance of the solar energy product, which is typically not discoverable until months, if not years, after the sale. It is also common that they are misrepresenting affiliations with utility companies or other energy-related service providers. The chapter provides the Attorney General with the consumer protection powers standard to other chapters in Idaho’s consumer protection title.

**MOTION:** Senator Anthon moved to send RS 27073 to print. Senator Vick seconded the motion. The motion carried by voice vote.

**PASSED THE GAVEL:** Chairwoman Lodge passed the gavel to Vice Chairman Harris.

**RS 27079 RELATING TO CAMPAIGN FINANCE.**

Chairwoman Lodge reported this legislation is the work of the Interim Campaign Finance Committee (ICFC), made up of five members from the House and five members from the Senate. The ICFC met six times throughout the spring, summer, and fall of 2018. This bill, which reflects the work of the ICFC, will update filing deadlines for reporting independent expenditures and electioneering communications. Certain disclosures and definitions updates are required by this proposed legislation. Chairwoman Lodge stated this is late because of corrections to the previous bill S 1114.

**MOTION:** Senator Anthon moved to send RS 27079 to print. Senator Winder seconded the motion. The motion carried by voice vote.

**PASSED THE GAVEL:** Vice Chairman Harris passed the gavel to Chairwoman Lodge.

**H 124 RELATING TO THE MILITARY** to revise provisions regarding the Model State Code of Military Justice.

Major Stephen Stokes, Staff Judge Advocate, Idaho National Guard, Military Division, reported this legislation seeks to amend and update Idaho Code, Title 46, Chapter 10, Militia and Military Affairs (MMA) to align with the Uniform Code of Military Justice, which was revised by the federal Military Justice Act of 2016. He noted the revisions seek to: 1.) avoid duplication of processes and procedures where local law enforcement (LLE) can satisfy adjudication of offenses and align the MMA with the civilian code where practical; 2.) establish consistency across cases to produce more uniform application of the law; enhance continuity of legal processes when transitioning from state to federal status; retain uniquely military processes for uniquely military offenses; and apply these changes to Army National Guard, Air National Guard, and militia upon activation; 3.) implement key changes that include modernizing the criminal code to add offenses such as computer crimes, workplace retaliation, revenge porn, and credit card fraud; update definitions of processes regarding court martial panel composition; and eliminate offenses where LLE would prosecute the crime, for example, driving under the influence (attachment 1).

**DISCUSSION:** Vice Chairman Harris inquired about the definition of the word "dueling" in the bill. Major Stokes gave a brief historical definition and explained that "dueling" was an offense in military code and a historical carryover.

Senator Winder queried what types of crime victims are included in the proposed legislation. Major Stokes stated the change in Idaho Code mirrors the Idaho Constitution. The victim has a right to notification and to appear and participate in proceedings throughout the life of the proceedings. In the current version, those rights do not exist in statutory authority. This bill adds protections to the victims in the event they are not being involved in military criminal tribunals.
Senator Hill referred to the rights of victims to be protected from the accused and asked if there had been any comments or resistance from others. Major Stokes remarked this has not been an issue.

Senator Buckner-Webb queried if civilian employees on military bases are covered. Major Stokes stated civilians are not covered. The military justice system only applies to National Guard members. He noted if a civilian commits a crime against a member, Idaho courts would handle those offenses.

MOTION: Senator Anthon moved to send H 124 to the floor with a do pass recommendation. Senator Souza seconded the motion. The motion carried by voice vote.

S 1178 RELATING TO EXPLODING TARGETS to make Idaho Code on State lands consistent with federal land laws.

Senator Stennett reported this legislation is to make Idaho Code on state lands consistent with federal land laws prohibiting exploding targets during the designated fire season. Exploding targets refers to any device for use as a target consisting of flammable substances or substances capable of exploding when struck.

Senator Stennett indicated use of these devices has caused catastrophic wildfires that have endangered lives, burned hundreds of thousands of acres, and cost millions of dollars. This legislation would expand Idaho Code to prohibit exploding targets on any state land, classify the crime as a misdemeanor, and reiterates a judge’s discretion for sentencing terms and cost recovery for damages. This legislation does not apply to private property or any public or private shooting range that has a permit or governmental approval (attachment 2).

Senator Stennett noted the most popular kind of exploding target, which can be purchased at most department stores, are binary exploding targets. These targets are ammonium nitrate and aluminum powder. Once the two substances are mixed, they become explosive. Tannerite exploding targets are some of the most popular. Arson is already covered under Idaho Code and is a felony. Senator Stennett referred to several major fires in Idaho that were started from exploding targets (attachment 3).

DISCUSSION: A discussion ensued with Senator Stennett, Vice Chairman Harris, Senators Anthon and Vick regarding fire permits, gun ranges, the exclusion of private land, and the window of time for fire season. They discussed the guidelines on federal lands, state codes, and the expansion of burning season dates, making them consistent with federal code.

TESTIMONY: Brian Haagenson, Division Administrator, Operations, Idaho Department of Lands (IDL), provided information on the firearms-related fires and the use of guns to shoot at exploding targets. He noted that prior to 2017 any firearms-related fires caused by a firearms-related incident were tracked only as a miscellaneous fire. A reduction of this type of risk during the closed fire season would be a positive outcome.

DISCUSSION: Senator Vick and Mr. Haggenson discussed starting a fire illegally, the expenses of firefighting, and the banning of exploding targets during fire season.

TESTIMONY: Jonathon Openheimer, Government Relations Director, Idaho Conservation League, testified in support of the bill. He stated fires in Idaho are a big concern. In answer to a question posed by Senator Hill, he remarked it was better to
address the situation prior to the start of a fire. Mr. Openheimer said it would be entirely appropriate to implement this statute because of the threat that exploding targets pose on public and endowment lands as well as to homes and property adjacent to those lands.

**DISCUSSION:** Senator Souza queried what the consequence would be for not following the requirements of clearing a three-foot circle around someone smoking a cigarette on state or federal lands versus that for using an exploding target. Mr. Openheimer reported the violations of stage 1 fire restrictions and stage 2 are punishable by fines of not more than $1,000 and/or imprisonment for not more than 12 months at the federal level. This proposed legislation would carry similar penalties.

Senator Stennett thanked the Committee, stating this bill allows all to work together.

**MOTION:** Senator Buckner-Webb moved to send S 1178 to the floor with a do pass recommendation. Senator Winder seconded the motion. The motion carried by voice vote.

**MINUTES APPROVAL:** Senator Anthon moved to approve the Minutes of January 23, 2019. Senator Buckner-Webb seconded the motion. The motion carried by voice vote.

Senator Souza moved to approve the Minutes of February 25, 2019. Senator Anthon seconded the motion. The motion carried by voice vote.

**MOTION:**

**ADJOURNED:** There being no further business at this time, Chairwoman Lodge adjourned the meeting at 9:04 a.m.

___________________________  ________________________
Senator Lodge                                      Twyla Melton
Chair                                              Secretary

___________________________  ________________________
               Assisted by Linda Kambeitz

SENATE STATE AFFAIRS COMMITTEE
Friday, March 08, 2019—Minutes—Page 5
Introduction to HB 124
Amending the Idaho Code of Military Justice

Major Stephen A. Stokes, Staff Judge Advocate, Idaho National Guard

IDAHO NATIONAL GUARD
OFFICE OF THE STAFF JUDGE ADVOCATE
3882 W. Ellsworth Dr., Bldg. 440
Boise, Idaho 83705
208-272-5199
HB 124 amends and updates current Section 1102, Chapter 11, Title 46, Idaho Code, to align the Idaho Code of Military Justice (ICMJ) with the Uniform Code of Military Justice (UCMJ), which was amended by the federal Military Justice Act of 2016.

The purpose of HB 124 is to:

1. Establish consistency to produce more uniform application of military criminal law between state and federal statuses
2. Establish key procedural safeguards and processes in the ICMJ
3. Modernize and refine the military punitive articles
History of the Military Justice Act

- October 2013, Secretary of Defense created the Military Justice Review Group to conduct comprehensive review of UCMJ
- Military Justice Review Group produced 1300-page report with recommended changes
- An Executive Order signed on 1 March 2018 updated the Manual for Courts-Martial
- MJA 16 changes go into effect 1 January 2019

“The most significant reforms to the Uniform Code of Military Justice since it was enacted ... [60 years] ago.” Sen. John S. McCain III
Problem Statement

Because of the changes to the UCMJ enacted by the Military Justice Act of 2016, the Idaho Code of Military Justice is no longer consistent with the UCMJ.

This causes inconsistent application of military justice between state and federal statuses, a reduction of due process rights to accused and victims, and a reduction of the Governor’s control as commander in chief.
HB 124 Key Amendments

- **Procedural Amendments**
  - Increased rights for victims of crimes (Article 6b)
  - More robust Article 32 procedures (aka military grand jury) (Article 32)
  - Establishment of a “military magistrate” program (Article 26a)
  - Refinement of court-martial convening and trial procedure (Articles 25, 26, 27, 29, 30, 33, 34, 35, 46, 47, 48, 49, 50, and 52)
  - New type of judge-alone court-martial (Article 16)
  - Streamlined sentencing and post-trial procedure (Articles 53, 53a, 54, 56, 57, 58a, 60, 61, 62, 63, 64, 65, and 72)

- **Substantive Amendments to Military Punitive Articles**
  - Complete re-ordering and clarifying of punitive articles (Articles 77-134)
  - Prohibited activity between recruit/trainee and person of position of special trust (Article 93a)
  - Wearing of unauthorized insignia and awards (Article 106a)
  - Endangerment offenses – no more “dueling” (Article 114)
  - Offenses concerning government computers, aka, unauthorized access of classified information (Article 123)
  - Retaliation (Article 132)
QUESTIONS
March 1, 2019

Senator Michelle Stennett
Idaho Statehouse
Room W304

Dear Senator Stennett,

The Idaho Office of Emergency Management is committed to efforts to improve fire safety in Idaho. Idaho ranks as the fifth most wildfire prone state in the county and fire is listed as Idaho’s top risk in the State Hazard Mitigation Plan (SHMP). As captured in the SHMP, Idaho has seen an increase in human caused fires over the last decade. In our 2013 SHMP, it was reported that roughly 46% of the fires were human caused with that percentage increasing over the last couple years to over 70%. With the increase of human caused fires, we continue to support any and all mitigation efforts to reduce the damage across the state of Idaho.

In 2017 alone, Idaho saw nearly 700,000 acres damaged by wildfire. The causes of these fires range from lightning strikes to human caused. In 2018, the Sharps Fire, which started in Blaine County, burned nearly 65,000 acres. This fire was caused by an exploding target and cost $9.5 million. At least 8 fires in 2018 were confirmed to be caused by exploding targets.

As we have seen across the country and here in Idaho, the damages from a wildfire are not just limited to the fire itself. After a fire is extinguished there is an increased risk to a community for flooding and landslides. The danger for post wildfire flooding/landslides remains high for roughly 3 years after the incident. Although wildfires cannot be prevented altogether, any mitigation efforts made to reduce the number of human caused fires helps keep all Idahoans safe.

Respectfully,

Brad Richy
Director
Idaho Office of Emergency Management
Exploding Target Fires on IDL Fire Protection

The fires described below were all investigated and confirmed to be associated with exploding targets or tracer bullets. In 2017 and 2018, there were six total firearm-related fires on IDL protection. Two fires were caused by shooting exploding targets, one by shooting tracer rounds, and three were caused by firearms but a specific cause was indeterminate.

2017 Fire

**Strychnine:** The Strychnine Fire started in IDL’s Ponderosa Forest Protective District on September 2, 2017. This geographic area was under Stage 1 fire restrictions (August 4 - September 19) when the fire started due to prolonged hot, dry conditions and increased fire risk. It was started by an individual shooting tracer rounds at a target on industrial timberland. The fire was contained at 1,010 acres on September 15, 2017, at a cost of $2,694,139. Resources assigned to the fire included three 20-person fire crews, 10 engines, and 4 dozers as well as multiple air tankers and helicopters. The fire occurred during an extreme shortage of resources both regionally and nationally due to the severe fires burning across the west.

2018 Fires

**Sharps Fire:** The Sharp’s fire started on IDL endowment land within BLM’s protection area. The fire started on July 29, 2018, by an individual shooting an exploding target and reached 64,763 acres before being contained on September 6, 2018. IDL entered into a cost-share agreement with BLM for their efforts to suppress the fire. The total cost of the fire was $9.5 million with the state’s portion being $410,242.

**Moose Creek:** The Moose Creek Fire started on August 21, 2018, in IDL’s Ponderosa Forest Protective District and was controlled the same day. This fire was started by shooting an explosive compound. Two IDL Type 6 engines and IDL staff were assigned to the fire, which was contained at one tenth (.10) of an acre with a final cost of $2,417. In addition to IDL fire crews, Latah County Sheriffs examined the material and requested assistance from the Spokane Explosives Disposal Unit to detonate the remaining compound found at the fire area.

NOTE: Prior to 2017, firearm-caused fires were reported in the “miscellaneous” category with no further breakdown. It would be very time-intensive to manually go through each pre-2017 fire investigation report to determine which firearm-related fires were caused by exploding targets or ammunition types.
AGENDA
SENATE STATE AFFAIRS COMMITTEE
8:00 A.M.
Room WW55
Monday, March 11, 2019

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<tr>
<td>RS27085</td>
<td>UNANIMOUS CONSENT REQUEST from the Senate Education Committee regarding the Public School Funding Formula.</td>
<td>Senator Mortimer</td>
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<tr>
<td>H 158</td>
<td>RELATING TO HOMEOWNER’S ASSOCIATIONS in relation to solar panels.</td>
<td>Representative Rubel and Representative Armstrong</td>
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<tr>
<td>S 1179</td>
<td>RELATING TO ALCOHOL to provide an exception for movie theaters in a resort city.</td>
<td>Mark Estess, Partner Eiguren Ellis Public Policy</td>
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<tr>
<td>S 1160</td>
<td>RELATING TO ALCOHOL to create new categories of licenses for eating establishments and lodging facilities, and removes barriers to economic development.</td>
<td>Senator Rice</td>
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<td>S 1159</td>
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<td>Senator Grow</td>
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If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS
Chairman Lodge
Vice Chairman Harris
Sen Hill
Sen Winder
Sen Vick

COMMITTEE SECRETARY
Twyla Melton
Room: WW42
Phone: 332-1326
email: sstaf@senate.idaho.gov
DATE: Monday, March 11, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Mathias (Buckner-Webb)
ABSENT/EXCUSED: None
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 8:12 a.m.

Chairwoman Lodge thanked everyone for their patience as the meeting was moved from the regular Committee room to the Lincoln Auditorium.

VOTE ON GUBERNATORIAL APPOINTMENT: THE GUBERNATORIAL APPOINTMENT of Jeff Weak as the Administrator of Information Technology Services.

MOTION: Senator Winder moved to send the Gubernatorial re-appointment of Jeff Weak as Administrator of Information Technology Services to the floor with the recommendation that he be confirmed by the Senate. Senator Souza seconded the motion. The motion carried by voice vote.

RS 27085 UNANIMOUS CONSENT REQUEST from the Senate Education Committee regarding the Public School Funding Formula.

MOTION: Senator Hill moved to send RS 27085 to print. Vice Chairman Harris seconded the motion. The motion carried by voice vote.

H 158 RELATING TO HOMEOWNER’S ASSOCIATIONS in relation to solar panels.

Representative Ilana Rubel, District 18, and Representative Randy Armstrong, District 28, presented H 158, which balances homeowner property interests and Homeowner Association (HOA) interests in utilizing solar panels. The representatives fielded questions regarding HOA member covenants and the government's role in regulating those covenants.

TESTIMONY: Kevin King, representing the Clean Energy Association; Brindey Collins, representing the Community Association Institute; Emily Reeves, President of a local HOA; and Eric Jackson, President of an HOA in Nampa, gave testimony in support of H 158. Their concerns covered difficulties in obtaining solar panels in HOA neighborhoods, voting power of HOA residents, the binding relationship of covenants, and the difficulties in the covenant amendment process.

MOTION: Senator Stennett moved to send H 158 to the floor with a do pass recommendation. Senator Anthon seconded the motion.
Senator Hill offered some concluding thoughts. The next time someone doesn't like a provision in the covenants for a HOA and wants to have it changed, they will come to the state with a request about what they can or cannot do; H 158 will be used. He recommended that the HOAs get together and find a way the covenants can be changed without going through such a laborious process. Also, the way the covenants are enforced would help avoid this problem in the future. Senator Hill said he will be supporting the bill.

**DISCUSSION:**

The motion carried by voice vote.

**MOTION:**

Senator Stennett moved to send S 1179 to the floor with a do pass recommendation. Senator Buckner-Webb seconded the motion. The motion passed by voice vote. Vice Chairman Harris and Senator Hill requested to be recorded as voting nay.

**S 1179**

**RELATING TO ALCOHOL** to provide an exception for movie theaters in a resort city.

Mark Estess, Partner at Eiguren Ellis Public Policy, presented S 1179 and described 14 resort cities that would be affected. The purpose of S 1179 is to allow resort community theaters, some of which are historic, the same economic considerations as younger theaters. He fielded questions from Senator Souza regarding the intent of the bill to distinguish resort communities that are allowed to have these theaters from any other community and theater; what was the original intent and should it be continued. Mr. Estess responded that resort cities have unique elements that involve a seasonal influx of people. To change current law would demand decisions from the legislative bodies.

**MOTION:**

Senator Estess moved to send S 1179 to the floor with a do pass recommendation. Senator Buckner-Webb seconded the motion. The motion passed by voice vote. Vice Chairman Harris and Senator Hill requested to be recorded as voting nay.

**S 1160**

**RELATING TO ALCOHOL** to create new categories of licenses for eating establishments and lodging facilities, and removes barriers to economic development.

Senator Jim Rice, District 10, informed the Committee that S 1160 is a redraft of S 1140 and creates two new categories of liquor licenses; lodging facilities and eating establishments. The new licenses would not be transferable and there would be an amount restriction. To preserve the value of the licenses, transferring a license in the same city is not allowed for two years. Problems with the number of license quotas in certain areas impeded economic development and prompted the drafting of S 1160. This would adjust the code so that it is clear which are quota licenses and which are specialty licenses; the two new categories would fall under specialty licenses. Senator Rice described in detail what the changes were from the earlier bill that had been heard in Committee earlier in the session.

**DISCUSSION:**

Senator Stennett stated her concerns about the legacy licenses; what happens to them, are they devalued, and will there be some sort of compensation for them. Senator Rice responded that they get a 10 percent discount on the liquor purchased from the state dispensary. He stated that the primary value is the use of the license, not the scarcity of it. Bars and nightclubs will have the quota licenses and may be of more value. The difference in the 10 percent discount will be offset by the change in selection.

Senator Vick stated his concern with a city council's ability to approve or reject a license application and asked if cities have guidelines to alleviate the chance of favoritism. Senator Rice responded this bill doesn't change what currently happens. If there is no basis for the choice of one establishment over another, the city may have a problem. Some cities do not allow liquor at all. Senator Vick inquired about freezing the quota licenses and putting no limit on...
the new licenses. **Senator Rice** explained that there is a difference between a
restaurant serving liquor and a bar serving liquor; there are fewer problems.

**Chairwoman Lodge** announced that those who would be testifying would be
limited to two minutes.

**TESTIMONY:**

The following people spoke in opposition to **S 1160**: **Christy Suciu**, Flynn's
Restaurant; **Rod Nielsen**, McCall, ID; **Dr. Roger Wood**; **Russell Westerburg**,
Idaho License Beverage Association; **Dave Kirsch**, Manager, Red Feather;
and **Joe DeBoard**, Jakers. Their concerns consisted of the following issues:
a stance for temperance, a desire for lower outlet density, and more time for
the community to consider the implications. A criticism that the bill was tailored
for franchises and a concern that the bill would drastically reduce the market
value of small Idaho businesses were expressed.

The following people spoke in support of **S 1160**: **Mark Grubert**, Spring
Creek; **Ted Challenger**, Alcohol Lenders Group; **Jeffrey Beddy**, Spring
Creek; and **Jerry Chou**, restaurant owner. They believed it would allow small
companies to compete fairly in the market; liquor makes up a large percentage
of restaurant revenue. Concern for restaurants buying and selling their licenses
was considered. The Committee was asked to consider a 15 percent discount
rather than 10 percent to prevent companies from earning a profit off the sale
of licenses.

**DISCUSSION:**

**Senator Rice** responded to Senator Stennett's question regarding the 10
percent discount. He said the Idaho State Liquor Division expects there will not
be a great deal of change. There will be more specialty licenses issued and
those get no discounts; the quota licenses will be either 10 percent or other
specialty licenses, which will be 5 percent. The additional economic activity will
increase revenues. **Senator Rice** pointed to the Constitutional requirement,
which is the promotion of temperance and morality.

**Senator Rice** closed his presentation of **H 1160** stating this legislation would
ultimately limit the number of bars in the state, and it doesn't remove or
eliminate bars; it provides additional training to all servers; there won't be a
flood of licenses; economics puts a cap on businesses; Alcohol Beverage
Control will continue to enforce; and law enforcement will provide the needed
protection. There will be a significant number of licenses that are available for
use for bars and nightclubs, not just now but in the future.

**MOTION:**

**Senator Souza** moved to send **S 1160** to the floor with a **do pass**
recommendation. The motion failed due to lack of a second.

**DISCUSSION:**

**Senator Winder** commented that he would ask the Speaker of the House and
the President Pro Tempore to put a working group together to pursue this issue.
He volunteered to participate and commended Senator Rice for his efforts.

**Senator Anthon** agreed that there is a problem. There are certain communities
in Idaho where economic growth is stymied and where tourists are gathering.
Chain restaurants won't pursue those areas because they can only obtain a
liquor license by paying large amounts of money or waiting in a 10-15 year line.
This is an issue but there has been some good work done and he thanked
Senator Rice for his effort.

**Senator Souza** argued that the quota (legacy) licenses need to be honored and
have their place in the future. She believed small restaurants and businesses
had trouble starting their ventures and agreed that a working group was in
order and necessary.
Chairwoman Lodge added that she was part of a working group to address this issue ten years ago. They did get some answers and that bill failed by one vote. The issue has yet to be resolved, and it has only become larger. She extended her thanks to Senator Rice. She agreed with Senator Winder that a working group is necessary.

Senator Hill said that, if a working group is organized, there are people who felt they had not been at the table. He asked them to contact the Committee and ask to be included in that group.

S 1159 RELATING TO INITIATIVES & REFERENDUMS to increase voter involvement in the initiative/referendum process.

Senator C. Scott Grow, District 14, stated that S 1159 was not an attack against the Medicaid voter initiative. He diffused connections to Medicaid expansion and commended all who had worked tirelessly to get that initiative on the ballot. He assured everyone that S 1159 would not affect Medicaid expansion in any way. Senator Grow provided general information about the initiative process; it isn't available at the federal level, and Idaho is one out of 23 states in the union that allows initiatives and referendums on the ballot.

Senator Grow explained the bill page by page and discussed the following changes: to make the bill more transparent, clear, and consistent with the Legislature; the initiative would follow the single subject rule; it would have a fiscal impact statement and a suggested funding source; and it would be effective on July 1, 2019, following its passage. The changes that would improve signature participation were: there would be 180 days to collect the signatures; and it would require 10 percent of registered voters from 32 legislative districts. Senator Grow said there would be no changes made as to the requirement for passage of an initiative in the general election. All it needs is a simple majority of 50 percent plus 1 vote.

DISCUSSION: Senator Stennett questioned the need to change the status quo when there hasn't been a large demand for initiatives and referendums for over a century. Senator Grow stated the trend nationally is more and more initiatives appearing on the ballot. The intent of S 1159 was to have a good balance in place between the laws the legislature passes and the rights of the citizens to bring forward initiatives if that starts to happen in Idaho. Senator Stennett asked if other states had all the requirements that are in this bill. Senator Grow responded that many do have these same requirements and other states are passing legislation relative to initiatives. Senator Stennett referred to the fiscal note that included additional staff to help county clerks yet they didn't have extra resources. In addition, her concern was that the confirmation of signatures would be impossible within the shorter time frame. She asked who would be at fault for not meeting the deadline if those gathering signatures were successful but the signatures could not be verified in a timely manner. Senator Grow replied that the bill does not change the time the clerks are asked to certify the ballots; it is still 60 days.

Vice Chairman Harris asked why the bill requires 32 instead of all 35 legislative districts. Senator Grow stated that some states require 100 percent and he considered this as it would be his preference. But this gave some latitude short of 100 percent.

Senator Anthon asked for clarification about whether or not the bill changes the number of votes an initiative on the ballot would need to pass. Senator Grow said that current law is 50 percent plus one vote and that won't change; Prop 2 passed by approximately 61 percent.
TESTIMONY: Luke Mayville, Yvonne Sandmeyer, and Tracy Olson of Reclaim Idaho, explained their experience gathering signatures and argued that the difficult process already deters most initiatives.

Fred Birnbaum, Idaho Freedom Foundation, testified in support of S 1159 and expressed concern about the donations used to obtain signatures.

Russ Hendricks, Idaho Farm Bureau, expressed his approval for S 1159.

A.J. Balukov spoke against S 1159 and described his participation in two previous propositions. He argued that increasing the number of counties and the voter percentage requirement would make it difficult if not impossible for grass roots movements.

DISCUSSION: Senator Souza asked Mr. Balukov if he was in favor of the fiscal statement proposed in S 1159. Mr. Balukov believed the provision would be helpful bringing the initiative process into conformity with the normal legislative process.

RECORDING LINK: For the full discussion of the testimonies for S 1159, go to: (http://164.165.67.41/IIS/2019/Senate/Committee/State%20Affairs/190311_ssta_0800AM-Meeting.mp4)

Chairwoman Lodge announced that, due to time constraints, the hearing for S 1159 will continue on Friday, March 15th.

ADJOURNED: Chairwoman Lodge adjourned the meeting at 11:13 a.m.
# AGENDA
## SENATE STATE AFFAIRS COMMITTEE
**8:00 A.M.**  
Room WW55  
Wednesday, March 13, 2019

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<tr>
<td><strong>GUBERNATORIAL APPOINTMENT:</strong></td>
<td>THE GUBERNATORIAL APPOINTMENT of Russell A. Ludlow to the Bingo-Raffle Advisory Board. (Phone interview)</td>
<td>Russell Ludlow, Veterans of Foreign Wars</td>
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<td><strong>RS27083</strong></td>
<td>UNANIMOUS CONSENT REQUEST from the Senate Commerce and Human Resources Committee related to collection agencies.</td>
<td>Senator Burgoyne</td>
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<td><strong>RS27116</strong></td>
<td>UNANIMOUS CONSENT REQUEST from the Senate Education Committee related to the Public School Funding Formula.</td>
<td>Senator Mortimer</td>
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<td><strong>H 210</strong></td>
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<td><strong>S 1182</strong></td>
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<td>Senator Winder</td>
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**COMMITTEE MEMBERS**  
Chairman Lodge  
Sen Anthon  
Vice Chairman Harris  
Sen Souza  
Sen Hill  
Sen Stennett  
Sen Winder  
Sen Buckner-Webb  
Sen Vick

**COMMITTEE SECRETARY**  
Twyla Melton  
Room: WW42  
Phone: 332-1326  
email: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Wednesday, March 13, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb
ABSENT/EXCUSED: None

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 8:05 a.m.

GUBERNATORIAL APPOINTMENT: THE GUBERNATORIAL APPOINTMENT of Russell A. Ludlow to the Bingo-Raffle Advisory Board. (Phone interview)

Russell A. Ludlow stated he was honored to be appointed to the Bingo-Raffle Advisory Board (Board). Mr. Ludlow said he is an Army veteran who stepped into the role of Bingo manager at the Veterans of Foreign Wars (VFW) in Burley, Idaho and has run those Bingo games for the last three years. Chairwoman Lodge inquired about the number of people that participate in this activity. Mr. Ludlow replied that the average is about 40-50 people attending each weekly session.

Senator Stennett asked what Mr. Ludlow thought was most surprising about being on this Board. Mr. Ludlow answered that he was surprised at how some of Idaho's laws affect Bingo and how Idaho differs from every other state in the nation. For example, Idaho has to sell the papers in sequential order; other states can sell from any packet in any order as long as they have a tracking system.

Chairwoman Lodge stated her appreciation for Mr. Ludlow's service on the Board and with the VFW organization. She also thanked him for his service in the Army. She announced voting would be at the next meeting.

RS 27083 UNANIMOUS CONSENT REQUEST from the Senate Commerce and Human Resources Committee (Commerce Committee) related to collection agencies.

Senator Grant Burgoyne, District 16, said RS 27083 makes changes with respect to legislation (S 1007) that was seen earlier in the Session. Senator Burgoyne referred to RS 27083, lines 24-34, page 1, adding language that attorney's fees shall be limited to a reasonable fee and litigation costs shall be as prescribed by court rule.

MOTION: Senator Vick moved to send RS 27083 to print. Senator Stennett seconded the motion. The motion carried by voice vote.

RS 27116 UNANIMOUS CONSENT REQUEST from the Senate Education Committee related to the Public School Funding Formula.

Senator Lori Den Hartog, District 22, stated she is appearing on behalf of Chairman Mortimer. Senator Den Hartog explained that, after meeting with some of their stakeholder groups, a few adjustments have been made to the
earlier Public School Funding Formula bill the Committee heard on Monday, March 11, 2019. The changes will make the bill more palatable and will allow it to move forward to the Education Committee for further input.

MOTION: Senator Winder moved to send RS 27116 to print. Senator Buckner-Webb seconded the motion. The motion carried by voice vote.

H 191 RELATING TO THE SECRETARY OF STATE (SOS) to amend surcharges on fees charged for business registrations and filings.

Chad Houck, Deputy SOS, said H 191 pertains to expedited items and surcharges specifically in the business division of the SOS office. This bill makes some adjustments and amendments to Idaho Code § 30-21-214, and will have a fiscal impact estimated at an increase of $150,000 to the General Fund. Mr. Houck explained each change in detail relating to an increase of the current next-day expedite surcharge; creation of a new same-day expedite option; and provision for an additional clarification on the existing manual entry surcharge.

Senator Anthon asked for clarification on subsection (e) and the reference to "submitted to the SOS before 1:00 p.m." It was his thought that this is not referring to "ask for evidence" but is for "filing of the entity." Mr. Houck agreed.

MOTION: Senator Souza moved to send H 191 to the floor with a do pass recommendation. Senator Buckner-Webb seconded the motion. The motion carried by voice vote.

H 210 RELATING TO THE ELECTION OF LEGISLATORS to amend statute to match the Idaho Constitution.

Mr. Houck said H 210 has a lot to do with the Constitution of the State of Idaho (Constitution). This bill removes one word and adds four words to bring Idaho Code into agreement with the Constitution. On line 15 of the bill, the word "resided" has been removed and replaced by "been a registered elector." Article III, Section 6 of the Constitution speaks to the qualifications of Senators and Representatives and clearly says they must be a qualified elector. H 210 simply aligns statute with the Constitution.

MOTION: Senator Vick moved to send H 210 to the floor with a do pass recommendation. Senator Souza seconded the motion. The motion carried by voice vote.

S 1182 RELATED TO THE RESIDENTIAL SOLAR ENERGY SYSTEM DISCLOSURE ACT to provide that retailers of solar energy systems deliver certain written disclosures.

Senator Winder stated that S 1182 is a bill to protect customers and constituents in our communities and districts. He told of his own experience and provided a brief history about sales representatives going door-to-door selling various systems, solar systems included. Complaints have been filed with the Idaho State Attorney General's (AG) office by a local utility company. In the past six months, there have been over 66 claims filed with the utility where salespeople have posed as representing the utility company. Legislators and stakeholders have been working on this bill throughout the session. Senator Winder described the new chapter in detail; S 1182 adds Chapter 18, Residential Solar Energy System Disclosure Act, Title 48, Idaho Code.

Senator Winder explained that the provisions of S 1182 gives the AG and the District Court the ability to make claims that are enforceable for violations through the Idaho Consumer Protection Act (ICPA).

DISCUSSION: Senator Buckner-Webb queried if this is not already covered by the ICPA. Senator Winder responded that it is not, as indicated by the number of claims being brought forward. A way is needed to enforce the ICPA's authority. There is also language in the bill that clarifies and updates the statutes.
Senator Stennett inquired if it was usual for an industry to put extra protections in statute if there is a consumer protection act or a Better Business Bureau in place. Senator Winder responded that the utility company attorney would testify to that question. He pointed out there has been a collaborative effort between utility companies, solar installers, and the AG to examine this issue and try to determine a way to deal with the number of claims and complaints that have come in related to the solar industry.

TESTIMONY: Joshua Hill, representing himself, testified both as an industry professional and also as a consultant for Idaho citizens with regard to solar photovoltaic investments. He said he has been raised with the view that any buyer should do their homework, so buyer beware. He also believes in education, especially regarding facts of the solar industry. Mr. Hill expressed his concern over some of the draft language of S 1182. He reviewed the final language and, while he would still like to see a few changes regarding a buyer's responsibility, he supports S 1182. This bill will not harm quality providers and will help the issues of customers being taken advantage of by providers lacking integrity.

DISCUSSION: Senator Vick asked what Mr. Hill thinks is unique about the solar industry that they need their own special section of laws to protect the customer. Mr. Hill responded that most people do not read the fine print or ask enough questions. The solar industry is complex enough that some of the language in this bill will be very helpful.

Senator Souza asked for an overall average of the cost of a residential solar system. Mr. Hill answered that it varies greatly but an average gross cost would be between $15,000 and $30,000. The net cost is 30 percent less because of tax incentives.

TESTIMONY: Jen Visser, Director of Government Affairs, Idaho Power Company, discussed their most recent claim filed with the AG's office and described the contents of the claim: 1.) misrepresentation; 2.) cost of the system; 3.) the benefits of the system; and 4.) long term payoff. This legislation is necessary because of the complexity of the solar industry. S 1182 is modeled after Utah code but New Mexico and Arizona also have similar codes. Ms. Visser stated that additional disclosures help because it is complicated due to the number of tax incentives, complicated formulas, fluctuating energy from the utility companies, and the cost of energy. Also, Idaho Power has worked collaboratively with the Clean Energy Association to develop some amendments to the bill. Ms. Visser closed her testimony acknowledging that Idaho Power is there to protect its customers and to make sure that when people are making a decision, they are informed in that process.

Kevin King stated he is the Chairman of the Board of the Idaho Clean Energy Association (IDEA) and the owner of a local solar company. Solar is not a very mature industry and significant growth has only been in the last ten years. The ICPA is a way to protect the industry from getting a poor reputation from the few irreputable groups that are outweighed by the many reputable companies. He said this is an administrative burden to legally shore up our businesses and adds an educational piece to take to the sales teams. However, members of this industry are willing to take on that burden and appreciate the opportunity because it will result in a more mature industry. Mr. King stated his support of this bill as does the majority of the solar installers in Idaho.

Senator Souza asked Senator Winder if the Committee was going to hear from the industry attorney. Senator Winder replied that Ms. Visser tried to address those questions. Senator Souza said she had some questions about
DISCUSSION: the current ICPA that is in place and how this bill interacts with the ICPA. Ms. Visser introduced Shelly Stewart, Senior Council, Idaho Power Company, to answer those questions.

Senator Souza asked Ms. Stewart if the ICPA was not adequate or could not be amended in a way that would provide coverage, not only to the solar industry, but other industries that might need additional coverage. Ms. Stewart responded that there are very specific disclosures that need to be made by the solar industry and, at this point, the ICPA is very general. One of the main things that confuses Idaho Power customers is the net metering program that is initiated when a solar system is installed and the owner gets credits for the energy generated on site. When an unauthorized door-to-door salesperson is talking with a potential customer, they are likely to misrepresent the process and leave the customer thinking they may have a $5 bill or no bill. There are other misrepresentations that could be made as well. The solar industry is a very specific industry where there is a lot of information consumers need to understand that would not be disclosed under the ICPA.

Senator Anthon queried if Idaho Power had received complaints from their customers about other vendors selling products that would qualify for conservation credits. Ms. Stewart said no. Idaho Power has been receiving an influx of complaints and claims about solar that they typically do not receive about other industries.

Senator Vick asked for confirmation that it is Idaho Power's belief that the penalties are enough, along with the additional authority, to aid in stopping these activities. Ms. Stewart replied yes. The proposed solar act has essentially the same enforcement mechanism as the ICPA. The difference is that the ICPA does not have the specific disclosures that are required for the solar industry.

Senator Winder concluded his remarks and discussed the specific language needed to distinguish between a lease or a purchase. He drew attention to the start date of October 1, 2019 as an important factor because it allows time for the industry to train their employees and make adjustments in their paperwork. Senator Winder emphasized that the problem isn't the qualified solar industry companies that reside in Idaho, the problem is the ones from out of state that move in and out very quickly. S 1182 provides specific protection for Idaho citizens and he urged the Committee's support.

MOTION: Senator Anthon moved to send S 1182 to the floor with a do pass recommendation. Senator Buckner-Webb seconded the motion. The motion carried by voice vote.

PASSED THE GAVEL: Chairwoman Lodge passed the gavel to Vice Chairman Harris.

S 1177 RELATED TO HORSE RACING to revise provisions regarding license transfer and the distribution and use of certain funds.

Chairwoman Lodge said she is from District 11 serving mostly rural Canyon County and parts of Nampa and Caldwell. She explained that S 1177 has been drafted by members of the Idaho horse racing industry. She stated a disclaimer that she has horses, but no interest in participating in racing or a race track. This bill is brought forward by members of the Idaho horse racing industry, a $1 billion industry. The active horsemen in the racing arena were asked to find a solution for funding the Idaho State Racing Commission (Commission) within their industry. She stated that horse racing is recognized as an economic and recreational asset to the people of Idaho. The racing and breeding industries are a valuable sector of the State's economy and agribusiness. The purpose of this legislation is to fund the Commission which oversees the horse racing industry.
The mission of the Commission is to enhance and protect the live horse racing industry in Idaho. This is accomplished through licensing, regulation, and supervision of all live and simulcast race meets in the state under the terms of the Horse Racing Act, Idaho Code § 54-2507. **Chairwoman Lodge** described in detail the objectives of the Commission, how it is staffed, the number of racing sites, and the payment of purses.

**Chairwoman Lodge** outlined the changes in the bill: the proposed funding sources for the Commission begin on page 4, lines 30-45; technical corrections are on page 5 and 6 and on line 35; and corrections appear on page 7 and 8 that cover the percentage of races for each breed. There is a sunset clause of three years to allow the Commission to create opportunities for additional funding. She asked Clayton Russell to answer questions.

**Clayton Russell**, President, Idaho Quarter Horse Racing Association (IQHRA), explained how the bill came about and the people they contacted to get input. One common thread presented by the small tracks was that they could not provide any financial support. The IQHRA Committee then looked at where the money was going. They looked at the advance deposit wagering and determined that is where the funding should come from. Right now, 30 percent of that money is going to the simulcast sites, in the amount of approximately $248,000, and the industry receives less than half back from those sites. Simulcast was instigated to enhance live racing; right now, it is not, it costs live racing money. **Mr. Russel** described the distribution of funds in detail. There are two other changes in this bill: 1.) the number of years would change from three years to five years for a location where simulcasting had previously existed; and 2.) will change how the breed money is calculated to how many races are run by each breed.

**DISCUSSION:**

**Senator Stennett** asked for a more detailed description about monies received by the Commission and how percentages are paid out to both the simulcast location and live racing and what percentage goes back to the Commission. **Mr. Russell** described the process in more detail outlining where each part of the money is spent, such as taxes, purse moneys, or the amount going to the small track fund.

**Senator Souza** ask Mr. Russell if there was collaboration between all parties, such as those running a simulcast operation, horse racing groups, and racing sites representatives and if there was agreement on this bill. **Mr. Russell** stated they had meetings with all the horsemen groups. **Senator Souza** asked how many simulcast sites there are in Idaho. **Mr. Russell** replied that there are two, one in Post Falls and one at Idaho Falls. **Senator Souza** stated that the simulcast group was not consulted although their income will be key to this equation. **Mr. Russell** explained that they were asked to do this as the horsemen group. **Senator Souza** asked for further elaboration. **Mr. Russell** answered that they were asked by the Governor's office to write a proposal and this bill is that proposal. He said he did talk with Jim Minard from the race track in Idaho Falls and since the bill has been out, they have talked to the Greene Group who has the Greyhound track in Post Falls. However, they could not come to an agreement.

**Senator Buckner-Webb** inquired about a fee the simulcast entities were to pay to the Commission. **Mr. Russell** responded that fee is set out in statute. **Senator Buckner-Webb** asked for clarity about this bill changing those amounts. **Mr. Russell** said they are trying to change the way the simulcast money is distributed but not the percentage in statute. The only meeting they have had was with the Greene Group the day before.

**Senator Vick** asked when the distribution bands were initiated and when the percentages of 60 percent to live horseracing, 30 percent to simulcast, 5 percent to the Commission, and 5 percent to schools were put in place. **Mr. Russel**
stated he could not answer that question. Senator Vick inquired about how they determined the $30,000 and how that amount was fair. Mr. Russell responded that they tried to be fair and put it at the original amount. They used the previous amounts to determine fairness.

Vice Chairman Harris recalled that hair testing is part of this bill. He inquired if blood and urine testing is still being performed on the horses and if so, who pays for those tests. Mr. Russell stated that currently, they are only doing blood testing, which the Commission pays for.

Senator Sten nett asked if fraudulent behavior related to drugs was a big issue, and what the cost of hair testing was. Mr. Russell responded that drugs are prevalent all over the country and that is the reason hair testing has been introduced. Drugs pass through a horse’s system quicker than they can be recognized with drug testing; drugs stay in the hair much longer. The cost depends on who does the testing. He was quoted $120 from a Texas firm.

TESTIMONY:

The following people testified in support of S 1177:

• Brian Goody, Small Quarter Horse rancher, Pocatello, Idaho, and Representing East Idaho Quarter Horse Asscociation
• Ed McNelis, Nampa, Idaho, Idaho Horse Council
• Marta Loveland, Board member, Idaho Quarter Horse Racing Association
• John Erickson, Rigby, ID

The reasons they supported the bill included: horsemen are already putting in their share with licensing and other fees that go the Commission; the $30,000 matches the averages between the years 2,000, 2014, and 2017; the average received was $24,000-$28,000; the horsemen would like to support the schools, but the Commission needs these funds right now; hair testing is essential to Idaho racing; the advanced-deposit wagering (ADW) funds were designed to build/boost the agriculture industry and economy in Idaho; racing supports fairs and youth programs; the horse industry is a nearly $2 billion agricultural industry, besides the number one industry in the state; and saving small tracks and the Commission must be a top priority.

The following people testified in opposition of S 1177:

• Doug Okuniewilz, General Manager, Coeur d´alene Racing (CDA)
• Russ Westerberg on behalf of CDA

The reasons for opposition to the bill included: CDA has been a stakeholder in the Idaho racing industry and was excluded from this process; S 1177 exclusively taps simulcast operators’ portion of the ADW source market fee share; it eliminates payments to the public school fund; they disagree with the way this bill attempts to draw funding to keep the Commission afloat; simulcast has lost market share because of the competition with the Internet; and they have an alternate draft of a bill.

DISCUSSION:

Senator Sten nett asked Mr. Okuniewilz to confirm that if racing dies in Idaho, simulcast locations will continue to operate and make money elsewhere at about $200,000 per day. Mr. Okuniewilz stated that he thought if the Commission goes away, no one would be licensed and everything goes away. Senator Sten nett asked for more information on the 25 percent. Mr. Okuniewilz explained how the Commission's income varies from year to -year. The amount up to 25 percent provides them the ability to adjust based on the need.
Senator Souza stated she is uncomfortable mediating an industry dispute. She explained the reason for her concern. Mr. Okuniewicz stated he is not sure they can't come to an agreement, they just haven't been given the opportunity.

Senator Buckner-Webb stated that everyone is focused on keeping the industry alive and well. There is a lot of expertise among all the stakeholders that could be used to address this issue competently.

Chairwoman Lodge explained that the Commission is in dire need and the horsemen came forward to try and solve the situation. She said there was a meeting the day prior and it was unproductive. If the industry does not come forward with a solution to the funding problem, the Commission will die on January 1, 2020 because they will run out of money. If that happens, there will be no horse racing, no simulcasts, and no ADW. Horse racing affects the small fairs in Southeast Idaho, and it affects a lot of kids because of 4-H activities. The Committee needs to come to a decision to help so this industry can be saved.

MOTION:

Senator Hill moved to send S 1177 to the floor with a do pass recommendation. Senator Anthon seconded the motion.

DISCUSSION:

Senator Vick stated his disappointment in being involved in an industry dispute. He discussed the lack of all the stakeholders involvement in developing this bill. He can't support the motion.

Senator Souza agreed with Senator Vick and restated her earlier concerns, including her concern with the lack of collaboration. She honors the horse racing industry and it is important to have agreements between all parties in any industry. She will not be supporting this bill.

At the request of Senator Winder, Ardie Noyes introduced herself as the Business Operations Manager for the Commission. Senator Winder inquired if funds were available to stay in operation until the end of the 2020 session if this bill is not passed. If that is possible, he asked if there would be an opportunity to resolve some of the issues and concerns. Ms. Noyes stated that if she continues to "pinching pennies" and cut hours, there may be enough to get into 2020. Each month, she gets ADW money and that will be dispersed next year about this time.

Adam Jarvis, Division of Financial Management (DFM), stated that, from a DFM perspective, he agreed with Ms. Noyes that they would have to take drastic measures. Even with this bill, the disbursement of the funds from the current calendar year will not happen until March, 2020. There are concerns about bridging that gap between January and March. They have discussed "pinching pennies" to make it to mid-March.

Senator Winder stated that most have supported horse racing and ways to keep it operating. It is a historical part of the agricultural community. He will support the motion; however, there is a better solution. This would be for one year and the industry would come back to the Legislature. Senator Winder did not like the idea of picking winners and losers between friends. He will support the motion but wants action to allow both sides of the equation to be fairly treated.

Senator Anthon, echoed what has been discussed on both sides of the motion. The word should go out that we do not like to settle industry fights in the State Senate. He seconded the motion because he must err on siding with the horse industry. He doesn't discount any of the opposing arguments on this matter. He is supporting the motion because otherwise, the horse industry will be harmed.

Chairwoman Lodge commented that there is a three year sunset on this legislation. There is a need for about $250,000. She stated that her hope is, during this three-year period of time, that all parties will assemble to make
some decisions on how to work out the funding. Circumstances leading to the agreements that were made in 2003 have changed drastically. It is time that all parties come together and decide what they are going to do.

Senator Stennett stated that being involved in industry disputes in the Committee made her incredibly unhappy. Live horse racing has all the responsibility of taking care of the horses, testing, cleanliness, and facilities while the other side reaps the benefit of doing simulcasts without equal responsibilities. There should have been consensus.

| SUBSTITUTE MOTION: | Senator Stennett made a substitute motion to send S 1177 to the 14th Order of business for possible amendment. Senator Souza seconded the motion. |
| DISCUSSION: | Senator Winder commented that trying to get an amendment at this late date will probably kill the bill because of the time left to process an amended bill. He will support the motion to send it to floor with a do pass recommendation only on the basis of an understanding of both simulcast and live horse racing that they will be back at the very beginning of next session with a way to resolve this issue on a long term basis that will be agreeable to both sides. Senator Stennett stated that the reason for going to the amending order was to restrict it to one year. |
| ROLL CALL VOTE ON SUBSTITUTE MOTION: | Vice Chairman Harris called for a roll call vote. Vice Chairman Harris and Senators Vick, Souza, and Stennett voted aye. Senators Hill, Winder, Anthon, Buckner-Webb and Chairman Lodge voted nay. |
| VOTE ON ORIGINAL MOTION: | The motion carried by voice vote. Vice Chairman Harris and Senators Souza and Vick requested to be recorded as voting nay. |
| ADJOURNED: | There being no further business, Vice Chairman Harris adjourned the meeting at 10:20 a.m. |
AMENDED AGENDA #1
SENATE STATE AFFAIRS COMMITTEE
8:00 A.M.
LINCOLN AUDITORIUM
Friday, March 15, 2019

NOTE: CHANGE OF MEETING LOCATION

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<td>VOTE ON GUBERNATORIAL APPOINTMENT:</td>
<td>VOTE ON THE GUBERNATORIAL APPOINTMENT of Russell A. Ludlow to the Bingo-Raffle Advisory Board.</td>
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<td>RS27110</td>
<td>A CONCURRENT RESOLUTION to appoint a committee to study the methodology for funding public school construction and maintenance.</td>
<td>Senator Winder</td>
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<td>S 1159</td>
<td>RELATING TO INITIATIVES AND REFERENDUMS CONTINUED</td>
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If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS
Chairman Lodge
Vice Chairman Harris
Sen Hill
Sen Winder
Sen Vick

COMMITTEE SECRETARY
Twyla Melton
Room: WW42
Phone: 332-1326
email: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Friday, March 15, 2019
TIME: 8:00 A.M.
PLACE: LINCOLN AUDITORIUM

MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb
ABSENT/EXCUSED: None

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 8:06 a.m.

VOTE ON GUBERNATORIAL APPOINTMENT: VOTE ON GUBERNATORIAL APPOINTMENT of Russell A. Ludlow to the Bingo-Raffle Advisory Board.

MOTION: Senator Winder moved to send the Gubernatorial appointment of Russell A. Ludlow to the Bingo-Raffle Advisory Board to the floor with the recommendation that he be confirmed by the Senate. Senator Anthon seconded the motion. The motion carried by voice vote.

RS 27110 A CONCURRENT RESOLUTION to appoint a committee to study the methodology for funding public school construction and maintenance.

MOTION: Senator Hill moved to send RS 27110 to print. Vice Chairman Harris seconded the motion. The motion carried by voice vote.

S 1159 RELATING TO INITIATIVES AND REFERENDUMS CONTINUED
Chairwoman Lodge set out instructions about how the remainder of the meeting will proceed.

Senator Stennett asked if there would be an opportunity for more questions to the sponsor. Chairwoman Lodge responded in the affirmative. Senator Winder said that there should be time to answer questions after testimonies are given. Chairwoman Lodge allowed Senator Stennett some latitude to ask two short questions.

Senator Scott Grow, District 14, stood to answer questions. Senator Stennett asked if the time required to go before the Secretary of State (SOS) and the Department of Financial Management (DFM) will be part of the 180 days set aside to gather signatures. Senator Grow said it should not cut into the 180 days and it provides the citizenry with accurate information but is not binding. Senator Stennett asked if resources would be supplied to assist the clerks in verifying both county and legislative districts. Senator Grow responded that in discussions with the Association of Counties and some clerks, there is not an issue although, in some locations, it could be a challenge.

Senator Winder stated the signer must be a registered voter and they would have to know what district they are in. Chairwoman Lodge added that was a U.S. Ninth Circuit Court ruling.
The following people spoke in support of S 1159:

- **Benjamin Kelly** representing Food Producers of Idaho.
- **Steve Millington**, Twin Falls, ID, Chair of the Twin Falls County Republican Committee.

The reasons they supported the bill: there will be more rural involvement; the next redistricting process will shift more district representation to urban centers and away from rural communities; two counties comprise 13 legislative districts and after the 2020 redistricting, it could be 16 or 17.

Chairwoman Lodge asked if Mr. Millington was aware of how technology affects these efforts. Mr. Millington stated he was not. However, the way the lists are accumulated is not nearly as demanding as it was in the past and has reduced the time requirements to get an initiative done.

The following people spoke in opposition to S 1159:

- **Don Kemper**, spoke on his own behalf.
- **Rialin Flores**, Program Director, Conservation Voters for Idaho.
- **Mary McLaughlin**, Boise, Idaho.
- **Tina Hilding**, Moscow, ID, volunteer.
- **Chris Stroh**, Boise, ID, was the acting notary and collected the signed petitions.
- **Carmel Crock**.
- **Ken Harris**, Boise, ID.
- **Jim Hansen**, representing himself and family.
- **Chip Cole**, Boise, ID.
- **Carl Isaksen**, Boise, ID.
- **Joe Goode**, volunteer.
- **Shawn Keenan**, Coeur d’alene, ID, collected signatures.
- **Brenda Foster**, Boise, ID.
- **Donna Yule**, President, SW Idaho Chapter of the National Organization for Women.
- **John Glick**, McCall, ID, Co-Chair, Valley County Medicaid Expansion Initiative.
- **Dena Duncan**, Boise, ID.
- **Kay Hummel**, Boise, ID.
- **Lori Obe**, Boise, ID.
- **Rita Sherman**, Garden City, ID.
- **Cynthia Brooke**, Middleton, ID.
- **Gail Kirkpatrick**, Boise, ID.
- **Ashley Prince**, Field Director, Reclaim Idaho.
- **Roberta D’Amico**, Boise, ID.
- **Dave Greegor**, Boise, ID.
• Diane Jensen, Meridian, ID.
• Jeff Fereday, Boise, ID.
• Jean Weingartner, Boise, ID.
• Tom Weingartner, Boise, ID.
• Nancy Harris.
• Scott McDougall, Boise, ID.
• Don Shaff, Boise, ID.
• Misty Tolman, Idaho State Director, Planned Parenthood.
• Alexander Grad, citizen.
• Forrest Goodrum, Boise, ID.
• Professor Gary Moncrief.
• Kathy Griesmeyer, Policy Director, ACLU.
• Tex Beaucham, Meridian, ID.
• Sarah Taevs, Boise, ID.
• Rod Beck, Citizens in Charge.
• Terri Sterling, Culdesac, ID.
• Ellen Spencer, Eagle, ID.
• Katie Fite, Boise, ID.
• Russell Bushert, Eagle, ID.
• Lee Ann Tysselings, Boise, ID.
• Carol Richel, Eagle, ID.
• Janet Mollerup, Boise, ID.
• Danniba Luberg, Boise, ID.
• Holli Woodings, Boise, ID.
• Cindy Mueller, Middleton, ID. for Todd Achille, Ketchum, ID. He was here on Monday and couldn’t come back.
• Jeannette Bowman, Boise, ID.
• Laura Tirrell, Boise, ID.
• David Ransen, Boise, ID.
• Jonathan Oppenheimer, Idaho Conservation League.
• Louise Seeley, Boise, ID.

Those who left written testimony in opposition to S 1159 when time ran out:
• Jane Rohling, Eagle, ID.
• Roxanne Wigglesworth, Boise, ID.
• Chuck Chappell, Boise, ID.
• Mark Altekruse, Boise, ID.
• **Todd Achilles**, Ketchum, ID.
• **William Brudenell**, Boise, ID.

The reasons they opposed the bill: many reported their experience in gathering signatures was difficult; some agree qualifying an initiative should be hard and it is; concern about the stories they heard from people about lack of medical care; they contacted many rural citizens; many said this bill put difficult restrictions on citizens; some provided statistics; the combination of all the changes makes qualifying an initiative impossible; concerns about the deadline defined for the fiscal impact statement; S 1159 is vulnerable to legal challenge; training volunteers resulted in more qualified signatures; will be hurting the authenticity of grassroots campaigns; number of hours spent by volunteers; volunteers worked hard and received no pay or compensation for expenses; it violates the first amendment; this bill will make Idaho the toughest state in the union to get an initiative on the ballot; people don't know their legislative district; it is up to the appropriations committee to find the money in the budget; they gave examples of what invalidates signatures; if this bill passes, Idahoans would not be able to act on issues that elected officials might ignore or are not able to solve; rural districts are already advantaged and this bill would increase that advantage; we should be addressing actual problems such as healthcare, roads, etc.; there are reasons to protect this right; Idahoans have been very judicious in their use of the initiative process (for some speaking notes see attachment 1).

Written testimony submitted to the Committee in lieu of attendance (see attachment 2):

• Mark Altekruse wrote in opposition to S 1159.
• Bryan Searle, President, Idaho Farm Bureau Federation, letter dated March 15, 2019, wrote in support of S 1159.

**DISCUSSION:**

**Senator Buckner-Webb** asked Ms. Schroeder if there were any reasonable changes she would consider. **Ms. Schoreder** responded that the stakeholders would like an opportunity to come to the table for discussions. She indicated that it would be helpful to have a fiscal note.

**Senator Stennett** asked Ms. Stroh if she had concerns about the ability of the clerks to take on a greater load in a shorter period of time. **Ms. Stroh** answered in the affirmative. With the last initiative, the petitions did not get to the clerks until about two weeks before they had to be taken to the SOS office; it was rushed and difficult.

**Senator Buckner-Web** asked Ms. Stroh about the reasons that signatures were deemed invalid. **Ms. Stroh** answered that peoples' signatures vary; if the signature on the petition does not match the signature on the registration form, it is invalid. Others are incorrect addresses and/or phone numbers.

**Senator Stennett** asked Ms. Prince, if a county is split into more than one district, will there be an effect on validations. **Ms. Prince** replied that it drops the validation rate. The petition signature is invalid if it is on the wrong petition.

**Senator Vick** asked Professor Moncrief to confirm that if this bill passes, no signatures would have to be collected in Districts 19 or 14. **Professor Moncrief** concurred.

**Senator Stennett** inquired if, with the influx of people in certain areas, along with the new redistricting, districts will be lopsided. **Professor Moncrief** stated his belief that this bill focuses on registered voters and it is assumed registered voters and population are similar. At the beginning of a redistricting cycle they are; however, at the end of the cycle those numbers are very different.
Senator Anthon asked Professor Moncrief what he would propose that would be a better way to gather signatures in any particular district. Professor Moncrief did not have an answer. He stated his belief that the problem is, we are at the end of the redistricting cycle.

Senator Winder noted that Professor Moncrief has made a lot of presentations around the country but this is the first time he has heard him testify for or against something. Professor Moncrief agreed, he doesn't view that as his roll. However, he feels very strongly that this is not what we should be doing at this point.

Chairwoman Lodge asked if Professor Moncrief had information about the ways qualifying an initiative has changed with the advent of technology. Professor Moncrief did not have that information but could find it.

Senator Stennett pursued the thought that if the initiative process is tightened, more paid companies will be able to get initiatives on the ballot and then those things would not really be the voice of the people. Professor Moncrief agreed.

CONCLUSION:

Senator Grow discussed some of the court cases that have influenced the initiative process. He referred to Ms. Griesmeyer's comment regarding Colorado law. However, she failed to mention that, upon appeal, that case was overturned by the U.S. 10th District Circuit Court and the injunction was lifted. Senator Grow went on to explain that Idaho's current law is based on Idaho Coalition for Bears United vs Cenarrusa and that is why we now have legislative districts. The court found that requiring signatures be gathered based upon county distribution was unconstitutional based on the one man one vote rationale. They specifically stated that requiring signature distribution based upon legislative districts was entirely appropriate.

Senator Grow outlined the legislature's responsibility relative to initiatives as it appears in Article 3, Section 1 of the Idaho State Constitution that states in part: The people reserved to themselves the power to propose laws and enact the same at the polls independent of the legislature; this power is known as the initiative. Legal voters may, under such conditions and in such manner as provided by acts of the legislature, initiate any desired legislation and cause the same to be submitted to the vote of the people at a general election for approval or rejection. Senator Grow explained that in 1933, the percent of voters was set at 10 percent.

Senator Grow set forth some bullet points outlining the elements contained in S 1159:

- There is a single subject requirement.
- A fiscal note will be included.
- A funding source is required although it is not binding.
- There is a signature collection timeframe requirement.
- Signatures must come from 32 districts rather than 18.
- The threshold for achievement of the requirement for signatures is 10 percent.

Senator Grow stated that differing opinions have been heard today and that the legislature has a constitutional duty to deal with this issue. He stated his appreciation to the Committee and those who testified.

DISCUSSION:

Senator Buckner-Webb asked if the county clerks had been contacted about the additional resources that would be needed. Senator Grow responded in the affirmative. He stated he had contacted the Association of Counties to determine
what should be in the fiscal note. He was not able to contact each county so he went to the group as a whole to determine what would be reasonable. The additional signatures would probably require additional time and they may have to add personnel to carry the work load. The SOS did not anticipate any additional cost. Senator Buckner-Webb asked for a definition of "long term fiscal impact." Senator Grow responded that Proposition 2 is now the law of the state and that is long term. Senator Buckner-Webb and Senator Grow discussed the Colorado court case and where it stood today.

Senator Stennett referred to page 2, lines 41-42, and asked, if the clerks who are allowed 60 calendar days to complete their work after the submission of the signatures cannot get it done in the allotted time, would that cause the failure of the initiative process. Senator Grow replied the 60 days is in current law but his reference was that more signatures would need to be verified and that will take more work. He said that is what he was referring to when he talked about additional help for county clerks.

Senator Stennett inquired about the cost to the DFM for the free services that are being offered to those pursuing the initiative process. Senator Grow answered that is an unknown since it depends on what the initiative is about. Senator Stennett and Senator Grow discussed the need for an emergency clause.

MOTION: Senator Winder moved to close the public hearing and hold S 1159 in Committee to be brought back at the discretion of the Chair. Senator Stennett seconded the motion. The motion carried by voice vote.

ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 11:15 a.m.
MARCH 15, 2019
S 1159
COPIES OF SOME ORAL TESTIMONIES
ATTACHMENT 1
Chairman Lodge and Members of the Committee,

My name is Don Kemper. I oppose SB 1159

I’ve heard that the Republican Caucus asked you to support it.

Yes, California has too many initiatives. But not Idaho.

Already, it’s much harder to qualify an initiative here than in California.
  • California requires only 5% of voters to sign petitions—and all could come from one county.
  • Idaho requires 6% of voters from each of 18 districts as well as 6% statewide.

Under the current restrictions:
  • In 2014, 2 initiatives were proposed but none qualified
  • In 2016, 6 initiatives were proposed but none qualified
  • And, in 2018, 4 initiatives were proposed, two qualified but only one passed.

The fact is, Idaho’s qualification process is already very difficult.

Yet, Senator Grow asks us to believe that nearly doubling the signatures and nearly doubling the districts would not end voter initiatives.

Let me be clear, the proposed restrictions piled on top of each other would virtually prevent all future citizen-sponsored initiatives.

But, courts may well rule this bill unconstitutional—for it would so significantly burden an already difficult process that it would essentially nullify and deny Idaho voters their constitutionally guaranteed rights.

Chairman Lodge and Majority Leader Winder, I ask that you release the members of this Committee from any pledge they may have made in Caucus and remind them of their more solemn pledge to uphold and support the Idaho Constitution. If you do, I feel certain that they will vote to reject SB1159.

Thank you

[Signature]

250 words
Good morning

Initiatives are hardly a first resort. Under the present requirements they take a Herculean effort to accomplish. In the case of the most recently successful initiative, Prop 2 to expand Medicaid in Idaho, voters waited six years for Idaho legislators to address the tragedy of 61,000 Idahoans who could not get healthcare insurance. Six years legislators ignored the intention of their citizens on an issue that was paramount to their wellbeing.

Also, please do not insult our intelligence by trying to convince us that your attempt to place the most stringent regulations in our country on Idaho voters to process a future initiative is not because of the success of Prop 2.

61% of Idaho votes were in favor of that initiative. They were bipartisan votes. In a red state like ours, we can be sure it took a majority of Republican votes. We elected a Republican governor. We elected most of you. You are not stepping on liberal toes, you are stomping on the feet of all Idahoans.

My point is, the suggestion that future citizen initiative requirements should be doubled, while the time given cut to a third to complete, is an assault on the bipartisan ability of all our citizens to assess and initiate issues independently when our legislators refuse to act upon our intentions. We did not elect you to become your audience. If you won’t listen to us, and take away our ability to make you listen to us, tell me, what will be your next campaign slogan? “Vote for me, it doesn’t matter what you want, I know better that you.”

We will not forget.

Mary McLaughlin
1555 N. Cameolet Dr.
Boise ID 83704
My name is Tina Hilding. I want to express my opposition to this bill and tell you about my first-ever experience working on a state-wide initiative.

My efforts on the Medicaid Expansion initiative coincided pretty closely with my cancer diagnosis and treatment in August of 2017. I was quite sick with a 5" inch tumor in my middle for which I received lifesaving care and support. Getting cancer treatment is amazing – people take such good care and are incredibly kind to you. During my treatment, I met all kinds of people from many walks of life who were on the same journey – rich, poor, Republican, Democrat – none of it mattered. We were all sick and needed care. As I heard about the Medicaid Expansion effort, I thought that everyone should have the same chance that I did for quality health care and support. Almost as soon as I could walk, I jumped in to help.

I had surgery in November 2017 and started gathering signatures for the initiative in January of 2018, right after I had finished my 2nd radiation treatment. I was 15 pounds lighter, and I was always really cold. It was hard work as I went door-to-door, asking people to support putting the initiative on the ballot. This was democracy in action.

In Spring of 2018 as we came close to getting the needed signatures, I was still very weak and broke my pelvis. I have included a photo of me doing what I could with my broken pelvis. As soon as I could walk, I was out again, knocking on doors, asking people to vote for the initiative. I was still weak and thin. I got very tired, but I knocked on as many doors as I could. I talked to students at the university, helped register people to vote, stood on street corners at the Farmer’s Market, talking to everyone. I hiked the hills around Moscow, knocking on doors. I got stronger, fatter, and healthier – at least I hope continues. And, I helped to pass the initiative.

I want you to know that the initiative process is very, very difficult. I worked very hard, and there are so many volunteers from small towns and big cities around this entire state who spent hours and hours gathering signatures, counting, tabulating, and getting the signatures to Boise to allow our initiative to be on the ballot.

I hope you will think about my effort when you consider your vote for this bill. Please vote against it.

Thank you.

Tina Hilding
411 N. Howard Street
Moscow, Idaho
3/15/2019

Members of the Committee:

Thank you for giving me the opportunity to speak. My name is Chris Stroh. I am a small business owner here in Boise, and I also own a home in Donnelly ID.

My role in Medicaid expansion was District 19 lead, a notary and the person who gathered and counted the petitions and valid signatures. We gathered 113,000 signatures, 73,000 of which were valid. The process is quite complicated and difficult. Reclaim Idaho’s 2000 volunteers went to a HUGE effort, and really did not know until a week to ten days before the day we turned the petitions that we had probably gathered enough signatures. Here is the process:

1) Recruit volunteers, 2) Train, 3) Gather signs from register voters, 4) Notarize every petition with the signature gatherer, 5) Take the petitions to the appropriate county before April 30th, 6) Once the county has checked all the signatures, they return the petition to the persons who turned them in --- most came from the counties in the last two weeks of June, 7) Consolidate all the completed petitions and count the signatures the counties certified as valid. We had boxes upon boxes in my garage. This is the point when we could actually know if we qualified in a district.

3) Get all petitions to Boise to turn into Sec of State. If a van breaks down on the way with petitions from a vital county, we had to go get them. If the petition not at the Sec of State office on the correct day they don’t count.

We were told based on previous initiatives that often only 30 to 40% of signatures are valid; Reclaim Idaho had a higher percentage because the volunteers were careful. One county would only accept petitions if the signs and petition were on separate pieces of paper. Some counties returned every petition with a validation letter. Other counties counted 50 petitions all together and put one total. Some counties had no idea how many they had processed; I would call to see if we needed to pick up and they had to look around to see if there were still boxes or envelopes of petitions sitting around. Some districts are made up of 5 counties. They won’t accept signatures from more than one county per petition. We did not know we were close to qualifying until a week to 10 days before the deadline.

Why found invalid? If signature is illegible, if printed instead of signed, an incorrect address from where they are registered. Address not findable.—the North or South not listed -- Ave. vs Street. Address unreadable, or form of name of name different from on the voter registration. Bill vs William. And if the signature “looks different” from the signature when they registered each county has a different standard or emphasis.

Very much rural Idaho involved. Maps. Money will go to rural Idaho to the 27 critical access care hospitals, 19 of which are running in the red.

Chris Stroh, 2061 Ridgecrest Dr. Boise ID 83712.
Idaho has always encouraged its fiercely independent citizens to voice their opinions and have provided for this right in our State Constitution as well as provided citizen petition initiatives.

In 2012, changes were made to the petition initiatives to create more stringent requirements to vet the initiative petition requiring 6% of the registered voters in 18 districts to have validated signatures within an 18 mo period.

In 107 years only 30 ballot initiatives have been created. In the past 6 years only 2 ballot initiatives have qualified to be voted on by the citizens of Idaho and of those, only one has been voted into law.

Rural representation is critical in our State. In 2018 petition signature gathering was significant in rural Idaho. I remember speaking with four women from Adams County who were gathering signatures from their neighbors and church members. I spoke with Washington, Payette, Owyhee County citizens who were gathering signatures a year ago.

The process currently in place, has stringent restrictions. The process works, deterring unsupported gatherers from successfully bringing Initiatives to the voters.

In Op Ed in Post Register, “The ballot initiative is why the public has the right to know who pays for politician’s campaigns and about spending of special interest lobbyist to influence policy.”
My name is Ken Harris and I live in Boise and graduated in the 1960's from St. Joseph's and Boise High School. I represent myself. In 1971 I moved to Massachusetts and soon discovered that Massachusetts politics was completely and utterly dominated by the Democratic Party. I grew up a Republican and my father served in the Idaho House from 1976 to 1986 and described himself as a moderate Republican.

I once described to my father how Massachusetts Democrat political leaders found themselves faced with major legal charges and misappropriations and his succinct response was "Well, that's what often happens in an overly-matured civilization."

In 1993 I moved back to Idaho and immediately realized that Idaho politics was completely and utterly dominated by the Republican party and attendant entities.

I think it is reasonable to expect that a lot of Idaho citizens are going to view SB 1159 as a direct and unequivocal
attack on Article 1, section 2 of the Idaho Constitution that declares: "All political power is inherent in the people. Government is instituted for their equal protection and benefit and they have the right to alter, reform or abolish the same whenever they may deem it necessary."

There is a sitting member of the Idaho House of Representatives who was recently videotaped stating (in part): "one of the terms I've come to hate is obey the will of the people." SB1159 to some Idaho citizens embodies this sentiment and, perhaps not coincidentally, repeats history in Idaho where voter initiatives were passed and then immediately reacted against and, in the specific case of term limits, REPEALED by the legislative bodies. As former Idaho Attorney General and Supreme Court Justice Jim Jones wrote on March 9, 2019 (Tongue & Quill, "Senators Bill 1159 would effectively put a stop to this nonsense of the people being involved in the legislative process".)
March 15, 2018

Re: SB 1159

Sen. Patti Anne Lodge
Idaho Senate, State Affairs Committee

Dear Madame Chairperson,

I am strongly opposed to SB 1159 for the many reasons stated below. I would appreciate your sharing this testimony with the members of your committee.

STATE-LEVEL CITIZEN INITIATIVES REMAIN POPULAR WITH VOTERS

Despite concerns and problems with citizen initiatives in some states, they remain popular with most voters. A leading scholar of these measures concluded:

"In many western American states, however, initiatives play a major role in governing. As initiative use has exploded in many states citizens have remained supportive of the initiative process. A body of recent scholarship suggests initiatives can produce a modest increase in voter turnout, as well as increase the public’s engagement with democracy. Surveys reveal that familiarity with direct democracy does not breed contempt for its expanded use. A recent poll (Spring 2000) of voters in Washington state found 78% thought that initiatives were a "good thing." Sixty-nine percent of California respondents offered the same evaluation in 1996, as did 62% of Arkansas voters in 2000. . . . Another recent poll found 68% of Americans supported having initiatives at the state level, . . .” (footnotes omitted)¹

The large turnout at the March 11, 2019 hearing on SB 1159 — where the vast majority of citizens asked to speak against the bill — confirms that Idaho voters oppose further restrictions on the initiative process.

SB 1159 MAY BE UNLAWFUL

In a recent newspaper column, Jim Jones (who is, as you know, a former Attorney General of Idaho and a former Chief Justice of the Idaho Supreme Court),
a) reminded that both the federal district court in Idaho and the Ninth Circuit declared a prior version of Idaho’s initiative restriction law (adopted in 1997) unconstitutional, and
b) warned that Idaho’s existing law restricting initiatives (adopted in 2013) “certainly appears to be on infirm ground” based on these federal court opinions, and
c) warned that “SB 1159 would be even more vulnerable to challenge.”
A copy of his newspaper article is attached.

SB 1159 IS UNNECESSARY

The testimony in favor of SB 1159 on March 11, 2019, suggested that the bill is meant to prevent a confusing proliferation of citizen initiatives on Idaho ballots. Specifically, testimony warned that Idaho might suffer the same problems experienced in California, where ballots are clogged by a large number of issues requiring citizens’ votes.

The problems in California are genuine. It is difficult for voters to choose responsibly when facing such a large number of items. But California ballots are more crowded than Idaho ballots could ever be for a variety of reasons.

First, many issues other than state-wide citizen initiatives are included on California’s ballots:

• The majority of initiatives on a typical California ballot are “local initiatives”: “A recent Sacramento Bee column projects an election scenario in the year 2004 in which voters might confront 200 ballot choices, including 35 statewide initiatives and even more local initiatives and elected offices.” Idaho does not permit “local initiatives,” and thus would never have the volume of issues typically found on a California ballot.

• Furthermore, in California the Legislature has the power to put initiatives on the ballot: “The California voter confronts a much longer ballot than the number of

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initiative measures suggests, as the legislature regularly places bond and constitutional measures on the ballot. Californians voted on 261 statewide propositions from 1974-90, of which 74 were initiatives and 187 were placed on the ballot by state legislative action. . . . One third of all initiatives qualifying for the ballot between 1966 and 1988 were sponsored by elected officials."⁴ "The California State Legislature may also place measures on the ballot as legislatively referred constitutional amendments or legislatively referred state statutes."⁵

• In Idaho, under either the existing law or SB 1159, citizens cannot amend the state constitution. In contrast, in California initiatives can create statutes or amend the constitution.⁶ This increases the number of initiatives.

Second, because Idaho has a much smaller population than California, Idaho would have many fewer ballot measures than California. In 2018, there were 16 state-wide citizen ballot propositions on the California ballot.⁷ Idaho has only 4.5% of the population of California.⁸ (In fact, the population of Santa Clara County, CA, is larger than the entire population of Idaho.⁹) If Idaho citizens pursued initiatives with the same zeal, and money, as California did in 2018, we would have less than one initiative on Idaho’s 2018 ballot.¹⁰

And third, California’s signature-gathering laws are much more lenient than Idaho’s existing restrictions. Notably, unlike existing Idaho law, California law imposes no geographical requirements on where signatures must be gathered. ("There is no distribution requirement in California. As such, any proportion of the required signatures may be collected from any county or congressional district."¹¹) Thus, in

⁴ Simmons, at 4 - 5, emphasis added.


⁶ Laws Governing - Ballotpedia.


⁸ In 2018, California’s population was 39.6 million, and Idaho’s was 1.8 million. (“Public Policy Institute of California”, via “https://www.ppic.org/publication/californias-population”, downloaded Mar 14, 2019; and “Idaho - Wikipedia”, via https://en.m.wikipedia.org/wiki/Idaho, downloaded Mar. 14, 2019.)


¹⁰ Note that 1.8 million people/39.6 million people = 4.5%; 16 California ballots X 4.5% = 0.75 Idaho ballots.

California it is far easier to qualify an initiative for inclusion on the ballot, and far more appear.

If the Idaho Senate’s concern is that too many initiatives qualify for the general election ballot, look to Idaho’s track record under the current law: Since 2013, when the current restrictions were adopted, only two initiatives gathered enough signatures, from enough judicial districts, and in the required time span, to appear on the general election ballot.

I urge you and members of your Committee not to refer SB 1159 to the Senate.

Respectfully,

Chip Cole
Opinion column: Is it time to drive a stake through the heart of Idaho's initiative process?

- Jim Jones  Mar 8, 2019

The people of Idaho decided in 1911 to put a process in place to enact or repeal legislation at the ballot box when they disagreed with the Idaho Legislature. It was part of a reform effort that was sweeping the country because of recalcitrant legislators. Idaho voters have used the initiative from time to time when the Legislature has refused to honor the popular will.

After the people tired of the Legislature's refusal to expand Idaho's Medicaid program, the voters acted to get the job done through an initiative. That initiative passed last year by a substantial majority.

Some legislators are offended when the people take the law into their own hands. Some think the voters are not smart enough to be able to pass legislation on their own—to second guess the elected representatives. There are often legislative efforts to repeal or redo when the people have spoken through passage of initiatives or referenda. We have seen that with the Medicaid initiative.

Now, legislation has been proposed that would kneecap the initiative and referendum process. With passage of that legislation, there would be no more people-initiated laws like Medicaid expansion and no more repeals by referendum like the Luna laws in 2012.
The legislation, Senate Bill 1159, would effectively put a stop to this nonsense of the people being involved in the legislative process.

The bill would require a herculean signature-gathering effort to put an initiative or referendum measure on the general election ballot. Instead of having to gather signatures from more than 6 percent of voters in each of 18 of Idaho’s 35 legislative districts, proponents would have to get the signatures of at least 10 percent of voters in each of 32 legislative districts. The statewide total of voter signatures would be increased from 6 percent to 10 percent. And, the signatures would have to be gathered in 180 days, rather than the current 18 months.

It is not as if the people of Idaho misuse the initiative/referendum process. Even though the process was put into the Constitution in 1911, it was not even used until 1938 when the voters established the Idaho Fish and Game Commission. It has been sparingly used since then.

The Legislature has tried to make it difficult to get a measure on the ballot in the past. In 1997, the Legislature put in a requirement that a ballot measure had to have signatures from at least 6 percent of the voters in each of 22 counties. However, on November 30, 2001, the federal court in Idaho found this requirement unconstitutional. For inquiring minds, the case is Idaho Coalition United for Bears v. Cenarrusa (234 F.Supp.2d 1159). The dreaded Ninth Circuit Court of Appeals affirmed the decision in 2003.

The Legislature, assuming that the provision was unconstitutional, formally repealed it in 2007. However, the Legislature resurrected the scheme in 2013 with the current signature requirement 6 percent of voters in each of 18 legislative districts. That has not been tested in court yet, but it certainly appears to be on infirm ground in light of the bear coalition decision. SB 1159 would be even more vulnerable to challenge.

Article I, section 2 of the Idaho Constitution declares: “All political power is inherent in the people. Government is instituted for their equal protection and benefit, and they have the right to alter, reform or abolish the same whenever they may deem it necessary.” The people approved the Idaho Constitution, delegating the legislative power to the Legislature, but then decided to take back some of that power through the initiative/referendum process. It is odd that some in the Legislature now wish to drive a stake into the heart of that people-driven legislative process.

Jim Jones previous columns can be found at https://JJCommonTater.com.
It was pointed out in this debate that the Founding Fathers did not create a democracy but a republic. Things have evolved in the last two hundred years. Today, most of the Founding Fathers would be arrested for their crime of slavery.

Please don't confuse promoting democracy with being subversive. In the name of democracy I ask you to oppose the "Silence the Voter" bill, SB 1159.

Thank you for your time.

Carl Isaksen  
2019 Mortimer Ct.  
Boise, Id 83712
Opposition to SB 1159

Thank you Chair Sen Patti Lodge, Vice Chair Sen Mark Harris and the rest of the Committee. My name is Shawn Keenan. I hail form Dist. 4 in CDA, Senator Mary Souza’s home town. I am currently the Kootenai County Statesman for the Idaho Democratic Party. I am also the president of the Kootenai Democrat Club. I have traveled 380 miles to be here today, to strongly oppose Senate Bill 1159. I would like to give my testimony as to the challenges we faced while collecting signatures for Prop 2 last year.

Given the time of year that we got started, we did not have the luxury of having large public gatherings, like fairs or festivals, to collect signatures. We also had very limited luck trying to gather signatures outside of local grocery stores or other local businesses. Therefore it became clear that our best strategy to engage voters would be to canvass door to door. I recall one snowy afternoon in late February 2018. The temperature was in the low teens at best and there was heavy snow on the ground, much like we have now in CDA. Looking back, the thought of canvassing door to door in this type of inclement weather seems a bit extreme and crazy. But there we gathered about 15 volunteers to get out into one of our more densely populated neighborhoods, determined to gather signatures for the ballot initiative. Bundled in layers of clothes and our pockets stuffed with hand warmers we took to the streets to talk with our neighbors about the importance of this initiative, giving voters a choice at the polls that following November. We spent the better part of 4 or 5 hours out in the neighborhood before we were too frozen numb to go on. Despite our determination that day, many volunteers only came back with a few signatures, maybe getting a half or part of a page completed. After counting up all the signatures at the end of the day, we knew that many more challenging days like that one were ahead if we were to meet the signature deadline. And there were.

This is just one example of the challenges we faced during the process of gathering signatures for Prop 2. The bar is already very high in order to get initiatives on the ballot here in Idaho. Please seriously consider my testimony today and the others here in the room that are sharing their testimonies before you decide how you are going to vote on this bill. Thank you for taking the time to listen to me today.
Brenda Foster  
723 Hillview Dr.  
Boise, ID 83712  

March 15, 2019  

Testimony to the Idaho Senate State Affairs Committee  
Regarding SB1159  

To: Honorable Senators Lodge, Harris, Hill, Winder, Vick, Anthon, Souza, Stennett, Buckner-Webb:  

My name is Brenda Foster. I am an Idaho native.  

I'm providing you today with a snapshot of how much work it takes—under the current regulations—for voters to initiate laws.  

We Idahoans are a strong bunch. We are bright. We think for ourselves. We care about each other. And we make our voices heard.  

But this process is already restrictive.  

I am just an ordinary citizen, and I myself invested more than 300 hours on the Medicaid Expansion citizens' initiative. To give you an idea of just how much energy this takes, I can tell you that one day, after gathering signatures, I was so worn out that I was diagnosed with pneumonia.  

Getting an initiative on the ballot already requires a monumental effort by people all over the state of Idaho.  

We Idahoans are a strong bunch. We are bright. We think for ourselves. We care about each other. Please don’t silence our voices with SB1159.  

Sincerely,  

Brenda Foster
SB 1159

Madam Chair and members of the committee, my name is Donna Yule and I am the President of the southwest Idaho Chapter of the National Organization for Women.

I'm speaking today in opposition to SB 1159 on behalf of our members. Many members of NOW volunteered with Reclaim Idaho to collect signatures for the Medicaid expansion initiative. No one in our organization was paid a single dollar for all the work we did on the campaign.

Rather, we spent our own money on shoes and gas and photocopias and even in becoming certified Notary Publics. We spent hundreds, maybe even thousands of hours of our own time working on behalf of our fellow Idahoans who have no access to healthcare.

Some days, we were rewarded with lunch. Some days we bought lunch for everyone else. We knocked on doors after work and on the weekends. We gathered signatures at music festivals and at the zoo, at our places of work, our places of worship and in front of the DMV.

We gathered signatures in rural areas where it took five minutes or more to walk from one house to the next. We sat in living rooms and called all our friends to get more people to volunteer.

In the end, 98% of the signatures gathered to get Prop 2 on the ballot came from unpaid volunteers like our members. All that hard work paid off at the polls when 61% of Idaho voters said yes on 2.
This body had ample opportunity to save thousands of grassroots activists from having to do all that physically and mentally demanding work. Up until a year ago, I was a paid lobbyist working in this very body, and I saw how, for six long years, your constituents begged you to address the Medicaid gap population.

And now, when the voters finally sent you a message, loud and clear, that we want Medicaid expansion, this bill tries to silence our voices in the future. I was working in this statehouse when the voters passed the referendum of the Luna Laws, and I helped to gather signatures for that effort. Immediately after that successful referendum, the legislature passed the current law which made it more difficult to get a initiative or referendum on the ballot. Now, after the citizens passed Prop 2, we are faced with another proposed law to even further restrict our rights as citizens and voters. The Idaho Constitution clearly gives us, the people, the power to propose laws and enact the same at the polls independent of the legislature.

Yet its almost as if some of the members in this body think we, the voters, are not capable of knowing what is best for our families and our neighbors.

The members of NOW urge you to vote NO on Senate Bill 1159.

Thank you.

(Donna Yule)
MADAM CHAIR-MEMBERS OF THE COMMITTEE—THANK YOU FOR THE OPPORTUNITY TO TESTIFY TODAY

MY NAME IS JON GLICK AND I LIVE AT 101 ELKHORN RANCH RD IN MCCALL

I AM GOING TO FOCUS ON 2 POINTS TODAY: #1 : 1159 IS SUPPOSED “TO ALLOW RURAL DISTRICTS TO BE MORE INVOLVED AND NOT JUST HAVE THE CITIES DICTATE WHAT’S HAPPENING, AND #2: WHAT IF 1159 HAD BEEN LAW IN 2017

I LIVE IN MCCALL-IN VERY RURAL DISTRICT 8-AND I CAN TELL YOU RURAL D-8 WAS HIGHLY INVOLVED IN PROP 2.

I BECAME CO-CHAIR OF THE MEDICAID EXPANSION INITIATIVE IN JANUARY OF 2018. WE STOOD OUT IN THE COLD AND SNOW FOR HOURS COLLECTING SIGNATURES. IT WAS NOT EASY, AND AS LUKE SAID, IT SHOULD NOT BE EASY.

IN APRIL OF 2018, FOUR OF US FROM MCCALL, WHO FELT SO STRONGLY ABOUT GETTING MEDICAID EXPANSION ON THE BALLOT, DROVE DOWN TO CANYON COUNTY ON 2 SEPARATE SATURDAYS TO GO DOOR TO DOOR GATHERING SIGNATURES. THE STORIES WE HEARD ABOUT PEOPLE’S SONS AND DAUGHTERS WHO COULD NOT GET HEALTHCARE TOUCHED MY HEART EVEN DEEPER. I DECIDED I HAD TO RUN FOR HOUSE SEAT 8A IN DISTRICT 8.

I PUT SOME 7,000 MILES ON MY CAR CAMPAIGNING FOR PROP 2 FROM EMMETT TO SALMON—AND THAT DOESN’T COUNT
Mr. Chairman, Members of the Committee. My name is Dena Duncan and I'm here in opposition to SB1159. I am testifying for myself.

The Idaho Constitution allows for the People of Idaho, when they believe that their concerns are not being addressed by the legislature, to bring forward initiatives/referendums to address their concerns, and if enough people agree, to put these initiatives to the vote of the People. As the Idaho Constitution states, “All political power is inherent in the People...” The Government exists to institute the will of the People.

I remember when 4 initiatives were brought forward that had to do with changes to education. All four were passed by the People. But, the Legislature didn’t like what the People had passed and revoked them. The result after that was that the Legislature, as it was then constituted, immediately decided that the initiative process was obviously too easy for the People to meet the requirements for getting initiatives on the ballot and therefore, made the requirements stricter. They raised the bar. They obviously thought that this would prevent most, if not all, future initiatives from meeting the new higher standards. They were wrong. Now, some in the Legislature seem to be unhappy that two initiatives were placed on the 2018 ballot under these stricter requirements. One passed and seems to be the reason why some now want to make it even more difficult for We, the People to get initiatives on the ballot. I don’t believe that’s what the writers of the Idaho Constitution had in mind. By their votes, the People spoke on both 2018 initiatives.

“All political power is inherent in the People....” Government is meant to provide equal protection and benefits for the People of Idaho. To maintain that, the Legislature must provide reasonable standards for the People to be able to bring forward initiatives they strongly believe in. SB1159 should not be those standards. I ask that you vote no on this bill and not pass it forward.

I thank you for listening.

Dena Duncan  3/15/19
Senator Lodge and Committee Members, S.1159 March 15m 2019

I appreciate the chance to add factual data to the record on S 1159.

Last Monday, Senator Grow stated Nevada’s initiative process requires obtaining valid signatures from 10% of voters in the prior election. The Senator implied this was a stiff requirement we should emulate. He failed to outline that the 10% is required from each of Nevada’s four congressional districts. Not from each of its 21 legislative districts. In the 2018 election cycle, this meant obtaining 28,544 valid signatures from each of Nevada’s four Congressional districts.

Three of Nevada’s four Congressional Districts each have a piece of the urbanized Las Vegas area. And their other district, the 2nd Congressional District, covers the northern tier of Nevada including the cities of Elko, Winnemucca, Reno and Carson City. So you can see that gathering sufficient signatures just in the core cities would be a straightforward activity. In fact, in 2018 Nevadans got to vote on six ballot measures. *

So travel north to Idaho where legislators in 2013 greatly stiffened the requirements for qualifying an initiative or referendum. In the five years since these tougher qualifying requirements were imposed, only 2 initiatives have been put before Idaho voters out of 10 attempts. These 2 initiatives demanded monumental organizing all across the state, and in one case, many hired signature gatherers had to be used.

Making our already difficult process even harder through the triple-whammy of S 1159 thwarts good, responsive government. It’s a solution not demonstrably needed. You have a non-existent problem.

I urge this Committee to kill this bill. We have a burdensome initiative process already. Don’t make Idaho the toughest state in 26 states where citizens can bring critical issues to the electorate.

Thank you.

Kay Hummel
420 E Crestline Drive
Boise, ID 83702

I am not an attorney nor am I a constitutional scholar, but I am a citizen of the United States and I can read the constitution.

The First Amendment of the US Constitution states that "Congress shall make no law...abridging the freedom of speech, or of the press; or the right of the people peaceably to assemble, and to petition the Government for a redress of grievances."

It seems to me that this bill violates the First Amendment as it does indeed violate the right of the people to petition the Government for a redress of grievances. By making Idaho's law regarding citizen-initiated petitions the toughest of all such laws in the 26 states that have them, this bill seems likely to be overturned.

As recently as this past December, another of Idaho's law, the "Ag Gag Law," was overturned by the Ninth Circuit Court for reasons of violating the First Amendment guarantee of free speech. In that case, the State of Idaho was required to pay $260,000 in attorney fees alone. This does not, of course, take into account other moneys the state spent in fighting that particular First Amendment case.

Don't impinge Idaho citizen's right to petition. Don't infringe our First Amendment rights. Don't once again pass a law that will needlessly waste Idaho taxpayer's tax dollars.

Lori Ode
111 E. Crestline Drive
Boise, Idaho 83702
(208) 724-1376
THE 2 WONDERFUL TRIPS LUKE AND I TOOK ACROSS DISTRICT 8 IN THE GREEN MEDICAID MOBILES ON BEHALF OF PROP 2.
I WENT DOOR TO DOOR AND UP AND DOWN MAINSTREETS IN EMMETT, McCALL, CHALLIS AND SALMON TALKING WITH FOLKS ABOUT PROP 2. MANY ALREADY KNEW ABOUT IT BECAUSE THEY KNEW SOMEONE IN THE GAP OR THEY THEMSELVES WERE IN THE GAP.

RURAL IDAHOANS IN D-8 KNEW ABOUT PROP 2 WHICH IS WHY THE PASSED IT IN ALL 5 COUNTIES. RURAL IDAHOAN ARE ALREADY INVOLVED.

I AM CONCERNED THAT-HAD 1159 BEEN LAW IN 2017—62,000 IDAHOANS IN THE GAP WOULD NOT HAVE THE HOPE THEY HAVE TODAY—THAT FINALLY THIS NEXT JANUARY THEY WILL GET THE HEALTHCARE THEY NEED AND DESERVE.

WE WOULD NOT EVEN BE TALKING ABOUT PROP 2 TODAY BECAUSE-AS I ASKED LUKE ON TUESDAY—HAD 1159 BEEN LAW IN 2017 WOULD YOU EVEN HAVE DONE THE INITIATIVE? I ALREADY KNEW HIS ANSWER—AND IT WAS “NO, VERY LIKELY NOT”.

MY BIGGEST CONCERN IS THIS: HOW MANY FUTURE-PERHAPS LIFE AND DEATH ISSUES—LIKE PROP 2—WILL 1159 SILENCE BECAUSE THE INITIATIVE REQUIREMENTS ARE TOO HIGH—AND ORDINARY IDAHO CITIZENS CANNOT AFFORD TO EXERCISE THEIR CONSTITUTIONAL RIGHT?

PLEASE VOTE NO ON 1159 THANK YOU
Good Morning Chairwoman Lodge and members of the Committee. My name is Cynthia Brooke and I am here today as a concerned constituent. As our democratically elected state representatives; I look to you to safeguard the will and welfare of all Idahoans and I know you take that responsibility very seriously.

In 2010 when the ACA became law, the state legislature and Governor Otter chose not to expand Medicaid in this state causing Idaho to miss out on 3.3 billion dollars of federal funding over 10 years. Surely Idahoans would have benefited from that money by improving the health of many of our citizens. We will never know how many lives would have been saved. We will never know what improvements would have been possible to our hospitals and the communities they serve. That is because no amount of concern, cajoling or pressure could get the legislature at the time to change its stance.

After 6 years of inaction the people of Idaho took on the daunting task of beginning the ballot initiative process gathering over 56,000 signatures in 18 districts. After months of work and organization by volunteers, the ballot initiative finally went for a vote and passed by a huge margin. No one can say that the will of the people is in doubt.

Now we find the will of the people being undermined at every turn with the proposal of onerous sideboards which weaken the bill and finally by undermining the ballot initiative process itself.

In Idaho, common people have a constitutional right to petition their government when they think their will is being thwarted or corrupted by powerful lobbies or special interests. When Idahoans hear from the Idaho Freedom Foundation, they know that if you are poor, or sick, or ill informed, you are not “free”. If you are powerless to influence your government, because your voice is drowned out by millions of dollars in dark money, you are not “free”.

YOU WORK FOR US.

There has not been one coherent argument made that this bill will improve the lives of Idahoans. Until that argument can be made, this bill should never see the light of day.
Thank you Ms chairman and committee members, My name is Gail Kirkpatrick and I am representing myself. I have a handout for all of you.

Senator Grow stated, as I read in the newspaper, that what he was proposing with this bill was nothing that other states didn’t already require, I decided to do some research and see for myself. This table represents what I found.

Note I’ve only included states in the west - I did not look at Michigan or Florida, etc. I’ve ordered the states by % of signatures. You can see the lowest number is 5% and the highest 15%. Idaho at present is 6% and the proposed is 10%. So at first glance the senator seems right. However, look more closely and you can see that all of the other states’ percentages are based on votes cast, or ballots cast in some previous election. Now look at Idaho - the % is based on qualified electors - in other words registered voters, NOT just the number who voted. So clearly we started out at a disadvantage to begin with-----

Now look at # of districts required - some have none, two use congressional districts as we do, another uses senate district, and another uses county. So it’s hard to compare apples to apples. But even if you look at the percentages, we are about in the middle and the proposed is at the high end. But look further at the time to collect the signatures. Three of the four states allow 10-12 months and the fourth one allows 18 months. Our proposed change only allows 6 months, and that is to collect a higher number of signatures that anyone else.

I think you can see that this proposed change is much more restrictive than any other state on our area.

Which leads me to wonder why Senator Grow would want to change something that is not broken and suggest these changes that are the most restrictive. Maybe he thought it was too easy to get an initiative on the ballot? If any of you think it was easy, think again! It was HARD. Hundreds of volunteers worked hundreds of hours - we battled the heat, the rain and the snow collecting signatures. Thank you.
## STATE REQUIREMENTS FOR VOTER INITIATIVES

<table>
<thead>
<tr>
<th>STATE</th>
<th>% OF SIGNATURES</th>
<th># DISTRICTS REQUIRED</th>
<th>TIME TO COLLECT SIGNATURES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>5% of total <strong>votes cast</strong> for Secretary of State in last election</td>
<td>None specified</td>
<td>6 months</td>
</tr>
<tr>
<td>California</td>
<td>5% of <strong>votes cast</strong> for Governor in last election</td>
<td>None specified</td>
<td>6 months</td>
</tr>
<tr>
<td>Montana</td>
<td>5% of <strong>votes cast</strong> for Governor in last election</td>
<td>34/100 congressional districts (34%)</td>
<td>12 months</td>
</tr>
<tr>
<td>Oregon</td>
<td>6% of <strong>votes cast</strong> for Governor in last election</td>
<td>None specified</td>
<td>24 months</td>
</tr>
<tr>
<td>Washington</td>
<td>8% of <strong>votes cast</strong> for Governor in last election</td>
<td>None specified</td>
<td>6 months</td>
</tr>
<tr>
<td>Nevada</td>
<td>10% of <strong>votes</strong> in preceding general election</td>
<td>4/4 congressional districts (100%)</td>
<td>11 months</td>
</tr>
<tr>
<td>Utah</td>
<td>10% of <strong>votes cast</strong> for president in last presidential election</td>
<td>26/29 senate districts (90%)</td>
<td>10.5 months (316 days)</td>
</tr>
<tr>
<td>Wyoming</td>
<td>15% <strong>ballots cast</strong> in previous general election</td>
<td>15/23 counties (65%)</td>
<td>18 months</td>
</tr>
<tr>
<td>Idaho - present</td>
<td>6% of <strong>qualified electors</strong> in last general election</td>
<td>18/35 congressional districts (51%)</td>
<td>18 months</td>
</tr>
<tr>
<td>Idaho - proposed</td>
<td>10% of <strong>qualified electors</strong> in last general election</td>
<td>32/35 congressional districts (91%)</td>
<td>6 months</td>
</tr>
</tbody>
</table>

Submitted by Gail Kirkpatrick
Source: Ballotpedia.org/states_with_initiative_or_referendum
Good Morning. Chairman Lodge, members of the Committee. My name is Roberta D'Amico, I have lived in Boise, Idaho for 20 years, and I represent myself. Thank you for your service to all of Idaho's citizens and the opportunity to testify today. I appreciate extending the testimony from Monday, as well as the recognition of the citizen volunteers. I'm here today to express my opposition to Senate Bill 1159.

Time and again, we've heard the history of the Idaho Constitution, the citizen initiative process, the challenges of the current process, and the staggering implications of the numerical changes being proposed for citizen-initiated referendums in this bill said enough. What hasn't been stated, is that SB-1159 is saying any citizen initiative has to include a funding mechanism, yet our citizen legislators do NOT have to include a funding mechanism, they just have to provide a fiscal note. Legislators have to say what they estimate the bill will cost, but they don't have to say where the money would come from. For example, Representative's Vander Woude's "Medicaid sideboards" bill just says it'll cost $2.6M, but says nothing about where that money will come from. It's up to the Appropriations Committee to find the money in the budget once the bill is passed. Under SB-1159, citizens will have a much bigger burden than our elected legislators face. It's a disturbing, disproportionate action against citizen initiatives that comes at a curious moment in time, right after the success of the Medicaid Expansion Initiative.

In closing, in a recent guest opinion, published in the Idaho Press on a subject unrelated to SB-1159, Representative Greg Chaney's comment struck me. He wrote: "The most sacred responsibility of any lawmaker is to ensure that we protect the people we serve. That means everybody, not just certain select groups." (End Quote) (Link: Idaho Press Guest Opinion 2.6.2019)

Not just select groups. Citizens are not professionally paid lobbyists with a significant funding source. I urge you not to squelch the voices of Idahoans. I urge you to vote NO on SB-1159. Voting NO is a vote for the citizens of Idaho.

Thank you for your time, your service, and the ability to testify.

Roberta D'Amico (joro.boise@gmail.com) 3109 S Crossfield Way, Boise, Idaho 83706
Testimony: Donald V Shaff before the Senate State Affairs Committee, March 15, 2019

Madam Chair and members of the committee,

SB 1159 is not the first time the Legislature has sought to amend the Initiative/Referendum statute. The current law was a successful amendment to restrict Idaho citizens to act when the Legislature refused to heed citizens desire to enact or amend Idaho statutes. Despite those restrictive amendments in the current law, not one but two initiatives exceeded those restrictions and were voted by the people in the 2018 election. SB 1159 is another negative reaction of some members of the Legislature exceedingly and excessively further to restrict Idaho citizens to govern when their voices are ignored.

All the currently Idaho elected officials from the governor on down the ballot, the majority in the Legislature, and many of their supporters gather in a Lincoln Day gala event to celebrate the Grand Ole Party and our famous president. I would remind you former President Lincoln is justly credited with the phrase government of the people, by the people, for the people. He was reminding us government comes from the people not only at the ballot box but also from the grass roots level to govern themselves.

I implore you for the sake of the Idaho Constitution and our fellow citizens to keep SB 1159 in committee and, in effect, kill it.
MADAM CHAIR, MEMBERS OF THE COMMITTEE:

MY NAME IS GARY MONCRIEF. WE’VE HEARD MANY ARGUMENTS AGAINST THIS BILL, AND I AGREE WITH ALMOST ALL OF THEM. BUT I WILL NOT RESTATE THOSE ARGUMENTS. INSTEAD, I WILL SPEAK DIRECTLY TO THE ARGUMENT THAT SOMEHOW RURAL INTERESTS ARE DISADVANTAGED AND REQUIRE REMEDY.

IN FACT, MANY RURAL DISTRICTS ARE ALREADY ADVANTAGED BY THE CURRENT SYSTEM AND S1259 WOULD INCREASE THAT ADVANTAGE.

S1259 CALLS FOR SIGNATURES TO BE GATHERED WITHIN THAN 6 MONTHS FROM 10 PERCENT OF THE REGISTERED VOTERS IN OVER 90% OF THE LEGISLATIVE DISTRICTS. ASIDE FROM THE EXTRAORDINARY BARRIER THIS WOULD CREATE IN GENERAL, IT ACTUALLY GIVES DISTRICTS WITH LOWER REGISTRATION NUMBERS—MANY OF WHICH ARE RURAL DISTRICTS—A DISTINCT ADVANTAGE.

TODAY THE NUMBER OF REGISTERED VOTERS IS WILDLY DIFFERENT FROM ONE DISTRICT TO ANOTHER. BECAUSE WE ARE TOWARD THE END OF THE CURRENT REDISTRICTING CYCLE, THE POPULATION DISPARITY AND REGISTERED VOTER DISPARITY BETWEEN LEGISLATIVE DISTRICTS HAS GROWN MARKEDLY OVER THE DECADE.

FOR EXAMPLE, DISTRICT 27 (CASSIA AND MINIDOKA) CURRENTLY HAS 17,037 REGISTERED VOTERS. DISTRICT 14 (AN URBAN/SUBURBAN DISTRICT) CURRENTLY HAS 37,932 REGISTERED VOTERS. THAT MEANS S1259 WOULD REQUIRE ABOUT 1700 SIGNATURES IN DISTRICT 27 BUT ALMOST 3,800 SIGNATURES IN DISTRICT 14. THAT IS 223% MORE SIGNATURES REQUIRED IN 14 THAN IN 27.

DISTRICT 23 (ELMORE AND OWYHEE COUNTIES) HAS 18,442 REGISTERED VOTERS, WHILE DISTRICT 19 (NORTH END OF BOISE) HAS 33,154. S1259 WOULD REQUIRE 80% MORE SIGNATURES IN DISTRICT 19 THAN IN 23.

THE FIVE DISTRICTS WITH THE LOWEST REGISTRATION NUMBERS AVERAGE FEWER THAN 20,000 REGISTERED VOTERS WHILE THE FIVE WITH THE HIGHEST AVERAGE OVER 32,000. THIS IN ITSELF WOULD ALMOST CERTAINLY RENDER S1159 UNCONSTITUTIONAL.

BY THE WAY, THE FIVE DISTRICTS THAT WOULD BE MOST DISADVANTAGED BY THIS BILL—HAVING TO GATHER FAR MORE SIGNATURES THAN OTHER DISTRICTS—ARE 14, 18, 19, 21—ALL IN ADA COUNTY, AND DISTRICT 2 IN KOOTENAI COUNTY.

SOME OF YOU KNOW ME, AND YOU KNOW THAT I'VE SPENT A CAREER ADVOCATING FOR STATES AND FOR STATE LEGISLATURES. I HAVE BEEN A CONSULTANT WITH THE NATIONAL CONFERENCE OF STATE LEGISLATURES, THE STATE LEGISLATIVE LEADERS’ FOUNDATION, AND THE COUNCIL OF STATE GOVERNMENTS. I BELIEVE FERVENTLY IN STATE LEGISLATIVE INSTITUTIONS. BUT I ALSO KNOW THAT STATE LEGISLATURES ARE NOT INFALLIBLE, AND THAT A REASONABLE REMEDY MUST BE AVAILABLE TO THE CITIZENS.

ULTIMATELY, THE QUESTION BECOMES, “WHY RUSH TO THIS RIGHT NOW?” IT IS OBVIOUS THAT THERE IS GREAT RESISTANCE TO THIS AMONG MANY CITIZENS OF THE STATE OF IDAHO. SERIOUS QUESTIONS HAVE BEEN RAISED ABOUT CONSTITUTIONALITY AND THE POTENTIAL EFFECTS OF THIS BILL.

THE PRESIDENT PRO TEM WAS QUOTED SEVERAL TIMES THIS WEEK AS SAYING “THE TIMING OF THIS BILL IS UNFORTUNATE.” I COULD NOT AGREE MORE.

SO WHY FORCE ITS CONSIDERATION NOW?

FACED WITH QUESTIONS ABOUT FAIRNESS, ABOUT CONSEQUENCES AND CONSTITUTIONALITY OF A PROPOSED MEASURE, WHAT DO COMMITTEES OFTEN DO?

THEY DO WHAT THIS COMMITTEE DID ON MONDAY IN REGARD TO THE LIQUOR LICENSE BILL: HOLD THE BILL UNTIL MORE EVIDENCE AND INPUT CAN BE GAINED.

I HAVE HEARD NO COMPELLING ARGUMENT FOR WHY WE NEED THIS BILL AT ALL, AND CERTAINLY I HAVE HEARD NO COMPELLING ARGUMENT FOR WHY WE NEED IT RIGHT NOW.

I RESPECTFULLY URGE THE COMMITTEE TO HOLD S1259.
Comparing Idaho's Initiative & Referendum to the Process in Other States
THE 26 INITIATIVE & REFERENDUM STATES

1. **Alaska** — Statutory & referendum only
2. **Arizona** — Constitutional, statutory & referendum
3. **Arkansas** — Constitutional, statutory & referendum
4. **California** — Constitutional, statutory & referendum
5. **Colorado** — Constitutional, statutory & referendum
6. **Florida** — Constitutional amendments only
7. **Idaho** — Statutory & referendum only
8. **Illinois** — Constitutional amendments only
9. **Maine** — Statutory & referendum only
10. **Maryland** — Referendum only
11. **Massachusetts** — Constitutional, statutory & referendum
12. **Michigan** — Constitutional, statutory & referendum
13. **Mississippi** — Constitutional amendments only
14. **Missouri** — Constitutional, statutory & referendum
15. **Montana** — Constitutional, statutory & referendum
16. **Nebraska** — Constitutional, statutory & referendum
17. **Nevada** — Constitutional, statutory & referendum
18. **New Mexico** — Referendum only
19. **North Dakota** — Constitutional, statutory & referendum
20. **Ohio** — Constitutional, statutory & referendum
21. **Oklahoma** — Constitutional, statutory & referendum
22. **Oregon** — Constitutional, statutory & referendum
23. **South Dakota** — Constitutional, statutory & referendum
24. **Utah** — Statutory & referendum only
25. **Washington** — Statutory & referendum only
26. **Wyoming** — Statutory & referendum only

**15 States** = Constitutional, statutory & referendum processes  
**6 States** = Statutory & referendum only (includes Idaho)  
**3 States** = Constitutional amendments only  
**2 States** = Referendum only
Geographic Distribution Requirements

— Among the 26 states with initiative and/or referendum processes . . .

➢ 9 states have no geographical distribution requirement at all [35%]

➢ 5 states have a requirement based on congressional districts (and all 5 states are easier to qualify a ballot measure in than is Idaho under either current law or the SB-1159 requirement) [19%]

➢ 7 states have a county-based requirement (and all 7 states are easier to qualify a ballot measure in than is Idaho under either current law or the requirement in SB-1159) [27%]

Right now, 85% of the states with initiative and/or referendum (22 of the 26 states) have an easier geographical distribution requirement than does Idaho.

If SB-1159 passes, Idaho will have a more restrictive requirement than 92% of I&R states (24 of 26), with only Colorado more restrictive.

STATE LEGISLATIVE DISTRICTS ARE MUCH TOUGHER TO WORK WITH THAN COUNTIES OR CONGRESSIONAL DISTRICTS (CD) BECAUSE:

➢ While virtually all voters know the county they live in
➢ Fewer, but still many people know which congressional district they are in
➢ BUT the vast majority of people DO NOT KNOW which state legislative district they live in.

The following page compares the 26 states on the difficulty of their geographical distribution rules regarding petitions and shows the impact of SB-1159.
**From Least to Most Difficult — on Geographical Distribution Requirements**

w/ **CURRENT IDAHO LAW IN PLACE**

(9 tied for best: no geographical distribution requirement at all)

1. Arizona (no requirement)  
1. California (no requirement)  
1. Illinois (no requirement)  
1. Maine (no requirement)  
1. North Dakota (no requirement)  
1. Oklahoma (no requirement)  
1. Oregon (no requirement)  
1. South Dakota (no requirement)  
1. Washington (no requirement)  
10. Maryland (county-based)  
11. Massachusetts (county-based)  
12. Michigan (CD-based)  
13. Arkansas (county-based)  
14. Nebraska (county-based)  
15. Florida (CD-based)  

16. Ohio (county-based)  
17. Mississippi (CD-based)  
18. Nevada (CD-based)  
19. Wyoming (county-based)  
20. New Mexico (county-based)  
21. Missouri (CD-based)  
22. Montana (1/3 of legislative districts for statutes & 2/5 for amendments)  

**23. Idaho** (18 of 35 senate districts – statute)


25. Utah (26 of 29 state senate districts – statute only)

26. Colorado (All 35 state senate districts – constitutional amendments only)

CD = Congressional District

**From Least to Most Difficult — on Geographical Distribution Requirements**

w/ **PASSAGE OF SB-1159**

(9 tied for best: no geographical distribution requirement at all)

1. Arizona (no requirement)  
1. California (no requirement)  
1. Illinois (no requirement)  
1. Maine (no requirement)  
1. North Dakota (no requirement)  
1. Oklahoma (no requirement)  
1. Oregon (no requirement)  
1. South Dakota (no requirement)  
1. Washington (no requirement)  
10. Maryland (county-based)  
11. Massachusetts (county-based)  
12. Michigan (CD-based)  
13. Arkansas (county-based)  
14. Nebraska (county-based)  
15. Florida (CD-based)  

16. Ohio (county-based)  
17. Mississippi (CD-based)  
18. Nevada (CD-based)  
19. Wyoming (county-based)  
20. New Mexico (county-based)  
21. Missouri (CD-based)  
22. Montana (1/3 of state legislative districts for statutes & 2/5 for amendments)  

23. Alaska (3/4 of 40 state House districts – statute only)

24. Utah (26 of 29 senate districts – statute)

**25. Idaho** (32 of 35 senate districts – statute)

26. Colorado (All 35 state senate districts – constitutional amendments only)

SOURCE: Ballotpedia  
[https://ballotpedia.org/Distribution_requirement](https://ballotpedia.org/Distribution_requirement)
Signature Requirements for Statutory Initiatives

— Among the 21 States with a Statutory Initiative Process

From Least to Most Difficult — on Requirements for Initiative Statutes
w/ CURRENT IDAHO LAW IN PLACE

1. Massachusetts - 3%
2. North Dakota - 2% (of entire state population)
3. California - 5%
4. Colorado - 5%
5. Missouri - 5%
6. Montana - 5%
7. South Dakota - 5%
8. Idaho - 6%
9. Ohio - 6%
10. Oregon - 6%
11. Nebraska - 7%
12. Arkansas - 8%
12. Michigan - 8%
12. Oklahoma - 8%
12. Washington - 8%
16. Alaska - 10%
16. Arizona - 10%
16. Maine - 10%
16. Nevada - 10%
16. Utah - 10%
21. Wyoming - 15%

Currently, 11 states are tougher, 7 states are easier, and two states have the same 6% threshold.

From Least to Most Difficult — on Requirements of Initiative Statutes
w/ PASSAGE OF SB-1159

1. Massachusetts - 3%
2. North Dakota - 2% (of state pop.)
3. California - 5%
4. Colorado - 5%
5. Missouri - 5%
6. Montana - 5%
7. South Dakota - 5%
8. Ohio - 6%
8. Oregon - 6%
10. Nebraska - 7%
11. Arkansas - 8%
11. Michigan - 8%
11. Oklahoma - 8%
11. Washington - 8%
15. Alaska - 10%
15. Arizona - 10%
15. Idaho - 10%
15. Maine - 10%
15. Nevada - 10%
15. Utah - 10%
21. Wyoming - 15%

If SB-1159 passes, only 1 state will be tougher, 14 states easier, and 5 states the same at 10%.

SOURCE: National Conference of State Legislatures

SOURCE: Ballotpedia
https://ballotpedia.org/States_with_initiative_or_referendum#Signature_requirements_and_deadlines_by_state
# Time Period for Gathering Petition Signatures

*— Among the 24 States with an Initiative Process*

## From Least to Most Difficult — on Time Period for Gathering Signatures

w/ CURRENT IDAHO LAW IN PLACE

<table>
<thead>
<tr>
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<th>State</th>
<th>Time Period</th>
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<tr>
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<tr>
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<tr>
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<td>9</td>
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</tr>
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</tr>
<tr>
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</tr>
<tr>
<td>14</td>
<td>Mississippi</td>
<td>1 year</td>
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<tr>
<td>15</td>
<td>Montana</td>
<td>1 year</td>
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<tr>
<td>16</td>
<td>North Dakota</td>
<td>1 year</td>
</tr>
<tr>
<td>17</td>
<td>South Dakota</td>
<td>1 year</td>
</tr>
<tr>
<td>18</td>
<td>Nevada</td>
<td>316 days</td>
</tr>
<tr>
<td>19</td>
<td>Colorado</td>
<td>6 months</td>
</tr>
<tr>
<td>20</td>
<td>Washington</td>
<td>6 months</td>
</tr>
<tr>
<td>21</td>
<td>Michigan</td>
<td>180 days</td>
</tr>
<tr>
<td>22</td>
<td>California</td>
<td>150 days</td>
</tr>
<tr>
<td>23</td>
<td>Oklahoma</td>
<td>90 days</td>
</tr>
<tr>
<td>24</td>
<td>Massachusetts</td>
<td>60 days</td>
</tr>
</tbody>
</table>

Currently, 14 states have a more generous time period for petitioning, 7 states have a less generous period, and two states have the same 18-month limit.

## From Least to Most Difficult — on Time Period for Gathering Signatures

w/ PASSAGE OF SB-1159

<table>
<thead>
<tr>
<th></th>
<th>State</th>
<th>Time Period</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Arkansas</td>
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<tr>
<td>2</td>
<td>Ohio</td>
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<tr>
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<td>Illinois</td>
<td>2 years</td>
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<tr>
<td>7</td>
<td>Nebraska</td>
<td>2 years</td>
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<tr>
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<td>2 years</td>
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<tr>
<td>9</td>
<td>Missouri</td>
<td>18 months</td>
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<tr>
<td>10</td>
<td>Wyoming</td>
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<tr>
<td>11</td>
<td>Alaska</td>
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<tr>
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<td>24</td>
<td>Massachusetts</td>
<td>60 days</td>
</tr>
</tbody>
</table>

If SB-1159 passes, 19 states will have a more generous time period for petitioning, only 3 states will have a less generous period, and one state (Michigan) will have the same 180-day limit.

**SOURCE:** National Conference of State Legislatures

Madam chair and members of the State Affairs Committee, my name is Lee Ann Tysseling. I am opposed to Senate Bill 1159. Others have detailed many of the reasons for opposition to this bill. I would like to add one more perspective, that of young adults, also known as millennials. I have two adult children who are millennials. In general, these young adults are all at work and unavailable to testify today. So, I am going to attempt to speak for them. Both of my children strongly endorse the statements I am about to make.

The millennial generation too often see government as “the enemy” and politicians as mere pawns for big money interests. They do not believe that government is any longer “of the people, by the people, and for the people.” They believe that elected officials do not represent them, that instead they represent the “party” or special interest groups.

My work in gathering signatures and getting out the vote with Reclaim Idaho made a strong impression with my children and their friends. They have been heartened by the stories I have been able to share about conversations I have had with people from all walks of life and political perspectives. They were enthusiastic about the results. My 29 year-old son voted for the first time in his life. He admitted that I had persuaded him that his vote counted in local elections.

Senate Bill 1159 threatens to confirm all their negative beliefs about government and politicians. They have just been persuaded by the activities and success of Reclaim Idaho that individuals do have a voice and that government can be “of, by, and for the people.” They see Senate bill 1159 as an attempt to silence the voice of the people.

I urge you to vote no. The requirements for ballot initiatives in Idaho are already strong enough to prevent overuse of the initiative process.

Lee Ann Tysseling

Boise, Idaho
March 15, 2019

Dr. Laura Turrell, representing myself

2015 East Lamar Ct.
Boise, ID 83712

Dear Madam Chairperson and Committee Members,

I oppose Senate Bill #1159 for three reasons.

First, Idahoans work hard all day long and have little time to directly participate in legislation. When they care about an issue that the legislature has not addressed, the ballot initiative is their only recourse. This is rare. Under current regulations, voters have to have 6% of 18 districts. The Idahoans have only reached this threshold and brought a referendum to the ballot twice since 2013. Clearly, we voters have not overused our opportunity for direct democracy. This bill will further restrict direct democracy in Idaho.

Second, supporters of this bill state it will better balance representation from rural districts. I contend that rural districts are well represented in the legislative process. Be aware that it only requires a majority of a committee to pass a bill to the floor and for a vote. For example, your committee has approximately 1/2 of its members from rural areas.

Third, hard working Idahoans cannot detail legislators daily as can the many lobbyists who walk these halls. We The majority of us cannot meet face to face with you. The initiative is our way to be heard by you when issues have not been addressed and resolved by the legislature.

Best Regards,

Dr. Laura Turrell, Board Certified Family Medicine
Jane M. Rohling
582 Palmetto Drive
Eagle, ID 83616
March 15, 2019

Idaho Senate State Affairs Committee
Senator C. Scott Grow
Testimony on S 1159

I am opposed to S 1159 on the grounds that it would make it nearly impossible for grassroots organizations representing Idaho voters to ever get on the ballot. This right is guaranteed to voters in the Idaho Constitution, and it is essential that we retain this right in a meaningful way. Civic engagement should be encouraged, not discouraged and Idahoans should have the ability to bring important issues to a vote, particularly when our Legislators have refused to address an issue year after year, as has been the case with Medicaid Expansion. The fact that this initiative passed with 61% of the vote proves that this issue has widespread nonpartisan support all over Idaho, yet it still required a long, arduous process to give voters a chance tell the Legislature how important it was to thousands of Idahoans. THIS is why this constitutional right is so important to citizens!

Senator C. Scott Grow’s bill would result in Idaho having more restraints on this process than any other state. Although Senator Grow tried to tell the members of this committee that the restrictions on the process as proposed in his bill are in line with the requirements of several of our neighboring states, his comments are misleading. The reality is that, while some states require 10% or more of voter signatures on the petitions for an initiative, and some would require the signatures to come from 90% of the counties or Legislative districts, and some only allow 180 days to collect signatures, NONE of the states’ that allow voter initiatives have ALL of these constraints. Thus, the requirements to collect signatures from 10% (increased from 6%) of Idaho voters from 32 of the 35 districts (increased from 18 districts) in 180 days (decreased from 18 months to just 6 months) would make his proposed requirements much stricter than those in other states.
Just as making it increasingly difficult to for people to vote is counter productive and attempts to “solve” a problem with voter fraud that has been proven repeatedly to be virtually nonexistent, this bill making it more difficult to get initiatives on the ballot to ensure that there aren’t too many of them is also attempting to address a problem that doesn’t exist. The fact that very few initiatives have made it to the ballot in past years, is proof that the existing rules that were put in place in 2013 (as well as the various rules that applied to the process in the past), are stringent enough to keep the state from being “governed by initiatives.” I don’t imagine Senator Grow or many other members of the Legislature have ever worked as hard as Reclaim Idaho has to get an initiative that will benefit so many Idahoans on a ballot. It would be worthwhile to talk about this with those who have participated in the process – or to hear testimony from as many of the opponents to the bill as possible before the Senate State Affairs Committee votes on the future of Senator Grow’s bill.

Thank you,
Jane M. Rohling

3/15/2019

I made the notes below while listening to the testimony of voters to the State Affairs Committee today.

- Not only does the initiative process give voters a right to address issues they feel strongly about, it is a way to show frustration when elected officials in the Legislature refuse, year after year, to address the concerns of the voters.

- In response to Professor Koonce’s testimony, I can attest to the fact that at this point in the redistricting cycle, the number of votes required in some districts has changed significantly since the last redistricting occurred.

I live in Eagle and have been a candidate for House Seat 14A in 2014, 2016, and 2018. While the difference in the percentage of votes I received in each time has changed less than 2%, the number of votes has increased significantly. In 2014, I received 5,308 votes – which was 31.9% of the votes cast in DM that year. In 2018, I received 7,054 votes which was 33.6% of the votes. So, nearly twice the votes were less than a 2% increase.

- In terms of representation of rural voters being too low in the initiative process I would say that all voters are able to be heard equally when an initiative is voted on.
I am one of the hundreds of volunteers who helped get petitions signed for Medicaid Expansion.

When I was first approached, I was reluctant. I’d never done anything like that before, but after I heard so many compelling stories and realized how important this issue was, I was committed to do everything I could to help.

I have many friends, family members, people I’ve worked with, parents of children I worked with so I assumed, like some of you, that it would be easy to recruit volunteers.

In reality, though, I can count on one hand how many volunteers I actually recruited. It wasn’t because these people didn’t care or didn’t think it was an important issue.

It was because they had jobs and families, they had their kids’ soccer games, or they needed to take care of an elderly parent. Evenings and Saturdays were filled with other obligations.

Getting volunteers was difficult. Keeping volunteers was another issue. It takes a lot of determination to drive 45 minutes, spend 2 to 4 hours knocking on doors, and come away with 12 names, four of which might not be valid because the address different or the signature didn’t look the same as their original registration. And frankly, some people we talked to weren’t all that nice to us.

So when I hear that it’s easy to get volunteers, based on my own experience, I couldn’t disagree more.

Please vote “NO” on SB1159.

Louise Seeley
12017 W. Ramrod Dr.
Boise, ID 83713
I was here on Monday and I am here again today to oppose this bill that will essentially cripple Idaho citizen’s right to a ballot initiative.

I am a retired RN with a special interest in access to health care and I’m originally from Pennsylvania, which does not have citizen initiatives.

Needless to say, I was thrilled that Idaho had this constitutional right to get an issue on the ballot. I joined the campaign, knocked on doors, explained and discussed the proposed initiative while learning how hard it is to get a proper signature that will count at the end of the day. This is a difficult process as well as a valuable right that should not be tampered with because of unfounded fears that Idaho will turn into California.

Why would you want Idaho to have the most restrictive law for citizen initiatives? This does not make sense for a state that prides itself on individual freedom. Also, it should be a source of pride that Idaho has a law that encourages civic engagement.

Open meetings offer the public a chance to observe the way their government operates and to influence their government in positive and important ways.

I was stunned by the way Monday’s hearing was held in such a hurried manner and would like to thank Sen Winder for speaking up and recognizing the citizens who showed up for the hearing were not being heard and that it was important.

In closing I oppose the Sen Grow’s bill 1159, there is NO need for the changes listed below.

- Raising signatures from 6 percent to 10 percent
- Increasing districts from 18/35 to 32/35 and
- Decreasing the amount of time to collect signatures from 18 months to 180 days.
- Plus a fiscal requirement

Thank You,
Roxanne Wigglesworth
Madam Chair and Members of the Committee,

My name is Chuck Chappell and I'm a registered voter in Idaho. I'm retired and live in Boise.

I found out when soliciting signatures for the Medicare measure that many people in Idaho appreciate their right to place an initiative on the ballot as provided by current law.

Passage of Medicaid demonstrated that the will of the people can be realized through this current law.

I hope the Committee will reconsider forwarding S 1159 until there is sufficient experience with the current law. Please fully vet before changing the law.

I now stand for questions.
Good Morning

Madam Chairman, members of the Committee and all in attendance:

My name is Mark Altekruse and I am a resident of the city of Boise.

Today we have heard and will continue to hear many voices citing laws, statistics and varying opinions on SB1159.

Instead, I would like to offer a different thought on the matter.

In post WWI, the voice of Bulgarian poet Geo Milev was forever silenced. He was murdered by the regime that took control of the duly elected democratic government during the 1923 September Uprising. Milev was only 40 years old.

Why do I bring his name up? Because there is a significant quote of his that befits today’s hearing.

Milev wrote, "Art can only blossom when it is planted in freedom. If you censor the writer, you would be killing art itself."

Anyone identifying themselves as an American will agree that this quote speaks directly to the 1st Amendment in our Bill of Rights.

However, I would like to offer an interpretation of Milev’s quote by replacing the words “Art” and “writer” with the words “America” and “citizen.”

The quote now reads, "America can only blossom when it is planted in freedom. If you censor the citizen, you would be killing America itself."

This is the aim of SB1159. To quell our combined voice, to prevent us from bringing forth initiatives for our health, and welfare. Because of this I stand in full opposition to SB1159.

Do not allow this bill to come to a vote. Silence it forever.

To bring this bill to reality is to silence the voice of the people. Remember, we put you in those seats to represent us, not to muzzle our voice nor diminish our rights as citizens.

Thank you for your time
Protecting Idaho’s Initiative Right

Todd Achilles  Follow
Mar 13 - 3 min read

Idahoans get stuff done. If someone isn’t getting results then we step in and do it ourselves. That’s what we did with Medicaid Expansion. For 6 years we waited on the legislature to do the right thing and take care of 62,000 neighbors who could not get healthcare. Finally, tired of waiting, we rolled up our sleeves and passed the Medicaid Expansion initiative in a 61% landslide.

But that right to citizen initiatives is under assault by the legislature. Senator C. Scott Grow (R-14, Eagle) proposed a new bill, SB1159, that torpedoed Idahoan’s Constitutional rights and hands more control to politicians.

Of the 26 states that permit citizen initiatives, Idaho’s process is already among the most difficult. I and most Idahoans agree that that is a good thing. For a healthy political system, initiatives should have a high bar.

In Idaho, we require that 6% of voters within 18 of 35 legislative districts sign the petition to put an initiative on the ballot. Once on the ballot, the initiative must pass with 50% plus one vote.

Among our neighbors, Oregon also has a 6% threshold but no distributive mandate. That is, no requirement that signatures are collected from within the state’s 60 legislative districts. Nevada requires 10% of voters but—and Sen. Grow omitted this important detail in his Monday testimony—the distributive requirement is consolidated into 4 ‘petition districts’ that map to Congressional districts. There is no requirement to gather signatures within the state’s 42 assembly districts. Montana is 5% of voters but has a different distributive requirement for initiatives (50% of 56 counties) than for referenda (34% of 100 legislative districts). Utah is the most restrictive with 10% of voters in 90% of 29 districts but petitioners have 316 days to complete the process.
Senator Grow's bill would raise Idaho's high bar to a level that, by any objective measure, kills the initiative process and our rights. He proposes (1) that we go from 6% of voters to 10%, (2) that we increase the distributive mandate from 51% of 35 districts to 91%, and (3) that the time to collect signatures is reduced by two-thirds from 18 months to 180 days. If Grow's bill becomes law then citizen groups don't stand a chance. Only special interest billionaires and corporations will have the resources to pass initiatives.

There are two simple tests that cut through Sen. Grow's claim that SB1159 is a good faith effort to 'fix' the initiative process and make it more 'inclusive': the lack of public engagement and the reduction in time. First, if you wanted to 'improve' the process then why not bring Luke Mayville and the Reclaim team to the policy-making table? These thoughtful leaders of the most successful initiative in recent memory would provide valuable insight. Instead, Grow's bill was printed on Friday and tried to slither through committee on Monday.

Second, If you wanted to ensure that rural interests were being heard then why would you cut the time to collect signatures? If anything, you would allow the petition gathers more time to reach small, rural towns. More time means more citizen engagement. Grow's two-thirds reduction of the collection window screams one message: "I am here to stop the voters!"

If Chairwoman Lodge allows SB1159 to sail out of committee this Friday without adequate citizen input, then I suggest she pay equal attention to another cherished Idahoan right: recalls. Recalling a legislator requires 20% of voters over 75 days but there is no distributive mandate.

Let's do the math for District 14: 27,161 votes were cast in the last election so 20% equals 5,432. Signature gathers, therefore, must collect roughly 73 signatures per day. As we saw with Medicaid Expansion, this is an easy target for a handful of motivated citizens. In every Idaho legislative district, there are 2 to 4 times as many voters who supported Medicaid Expansion as are needed to recall a legislator.

I recommend to Committee members who vote to restrict citizen initiatives that they immediately start work to do the same to the recall process.

Todd Achilles, Ketchum
Outline for Testimony at Senate Affairs Committee
as relates to SB1159: Relating to Initiatives and Referendums by William Brudenell
1305 E. State St. Boise 83702

15 March 2019

Please vote NO in committee on SB1159, for the following reasons, in addition to the ones covered by previous speakers:

1) The fiscal note process that the Legislature requires for a bill is an imperfect one, even with the resources available to the legislator proposing a new bill. Often, important pieces are missing when the bill is presented. Citizens proposing a ballot initiative do not necessarily have the resources to determine the sources or costs for the proposal.

2) To make a fiscal statement meaningful, it must be considered in the context of the future fiscal resources of the state and/or the state agency affected. At the time of the initiative process, this information is not available to the citizens proposing.

3) If the fiscal impact statement is incorrect, it becomes another point of contention.

Finally, as a resident and registered voter in Idaho, Ingrid and I spent hours, as volunteers, in Boise and Cascade getting signatures on an initiative to expand Medicaid. The people who signed the initiative were from all economic levels and political persuasions. Some stated that they might vote “no” for Medicaid expansion; but that they strongly believe in the right of citizens’ initiative. Voters should be enabled to pass legislation that is needed when the elected officials of the Idaho State Legislature fail to do so.
Dear Secretary Melton,

I am unable to attend today's hearing on SB1159. I would like to submit my testimony in writing and I am requesting that this testimony be entered into the record in my absence.
Good Morning

Madam Chairman, members of the Committee and all in attendance:

My name is Mark Altekruse and I am a resident of the city of Boise.

Today we have heard and will continue to hear many voices citing laws, statistics and varying opinions on SB1159.

Instead, I would like to offer a different thought on the matter.

In post WWI, the voice of Bulgarian poet Geo Milev was forever silenced. He was murdered by the regime that took control of the duly elected democratic government during the 1923 September Uprising. Milev was only 40 years old.

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Do not allow this bill to come to a vote. Silence it forever.

To bring this bill to reality is to silence the voice of the people. Remember, we put you in those seats to represent us, not to muzzle our voice nor diminish our rights as citizens.

Thank you for your time
March 15, 2019

Dear Ladies and Gentlemen of the Senate State Affairs Committee:

On behalf of the more than 80,000 Idaho families who are members of the Idaho Farm Bureau Federation, I am writing to ask for your support of S1159.

Under current Idaho initiative law, all signatures could be gathered in only four counties in Idaho to qualify for the ballot. There are 18 legislative districts contained within Ada, Canyon, Kootenai and 3/5 of Bonneville Counties. This means that the input of the citizens in the remaining 40 Idaho counties could potentially be completely ignored. S1159 is a common-sense approach to ensuring that the views of Idaho citizens from across the state are considered prior to qualifying for the ballot.

26 other states don’t even allow initiatives in their states. Of the remaining 24 states, 14 require a higher percentage of voters to sign petitions than Idaho, while 7 states require 10% or more. Furthermore, several other states also require the signatures to come from most, if not all of the legislative districts within their state. S1159 is not radical or unusual at all to ensure this level of participation across the state; but is consistent with a number of other state’s initiative processes.

S1159 would simply strengthen the initiative process and ensure there is more citizen involvement and broad support for an initiative from across the state prior to a measure qualifying for the ballot.

S1159 also wisely requires petitions to include a fiscal note alerting voters what the proposal will cost; and a proposed funding source so voters know if taxes will be raised, or if other programs will be cut.

If you have any questions about this issue, please contact Russ Hendricks at 208-342-2688.

We appreciate your careful consideration of this issue and ask for your support of S1159.

Sincerely,

Bryan Searle, President
Idaho Farm Bureau Federation
AGENDA  
SENATE STATE AFFAIRS COMMITTEE  
8:00 A.M.  
Room WW55  
Monday, March 18, 2019  

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<tr>
<th>SUBJECT</th>
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<tr>
<td>GUBERNATORIAL APPOINMENT:</td>
<td>THE GUBERNATORIAL APPOINMENT of Thomas J. Wilford to the Idaho Endowment Fund Investment Board.</td>
<td>Thomas Wilford</td>
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<tr>
<td>RS27133</td>
<td>REQUEST FROM SENATE TRANSPORTATION COMMITTEE for changes in the Highway Distribution Account.</td>
<td>Senator Brackett</td>
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<tr>
<td>PRESENTATION:</td>
<td>REPORT ON IDAHO STATE MUSEUM: Idaho State Museum Update</td>
<td>Janet Gallimore, Director, Idaho State Museum</td>
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<td></td>
<td>Audience Survey and Educational Impact</td>
<td>Dr. Gloria Totoricaguena</td>
</tr>
</tbody>
</table>

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS  
Chairman Lodge  
Vice Chairman Harris  
Sen Hill  
Sen Winder  
Sen Vick

COMMITTEE SECRETARY  
Twyla Melton  
Room: WW42  
Phone: 332-1326  
email: sstaff@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Monday, March 18, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and Buckner-Webb
ABSENT/EXCUSED: None
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 8:04 a.m.

GUBERNATORIAL APPOINTMENT: The Gubernatorial Appointment of Thomas J. Wilford to the Idaho Endowment Fund Investment Board.

Mr. Wilford, recent appointee to the Idaho Endowment Fund Investment Board, stated he applied because he had a long history of experience with investments. Mr. Wilford said he was employed by the J. A. and Kathryn Albertson Foundation for 25 years where he managed the investment portfolio from its inception, including the selection and monitoring of investment managers. He also serves on the Board of the Idaho Defense Alliance.

Senator Winder asked Mr. Wilford for information about his Certified Public Accounting (CPA) background. Mr. Wilford said he sat for his CPA examination after graduate school at the University of Minnesota during which time he was also serving in the Air Force. Mr. Wilford provided further information regarding continuing education, his experience in preparing income tax forms, and educating people about the new tax laws.

Chairwoman Lodge thanked Mr. Wilford for his service and announced that the Committee would vote at the next meeting.

RS 27133 REQUEST FROM THE SENATE TRANSPORTATION COMMITTEE for changes in the Highway Distribution Account.

Senator Bert Brackett, District 23, explained this legislation would transition the Idaho State Police (ISP) off the Highway Distribution Account (Account), which comes from the gas tax. The ISP can only use these funds for specific purposes and it is difficult to qualify those projects. Currently, the distribution of the Account is: 57 percent to the state; 38 percent to locals; and 5 percent to ISP. The 5 percent going to ISP would be phased out over a 5-year period beginning in fiscal year 2021.

Senator Stennett asked why this legislation is so late and why are we hearing it again; there was a similar bill earlier that didn't pass. Senator Brackett said the concerns raised in discussions for the earlier bill may have been addressed in this bill.
MOTION: Vice Chairman Harris moved to send RS 27133 to print. Senator Anthon seconded the motion. The motion carried by voice vote. Senator Sten nett requested to be recorded as voting nay.

PRESENTATION: REPORT ON IDAHO STATE MUSEUM:

Idaho State Museum Update - Janet Gallimore, Director, Idaho State Museum Audience Survey and Educational Impact - Dr. Gloria Totoricagüena

Ms. Gallimore explained that the Idaho State Museum (Museum), the country’s newest state museum, reopened October 18, 2018, 68 years after the first Julia Davis Park facility greeted visitors in 1950. The vision was to create a museum that would be a fun, interactive learning experience where people of all ages and backgrounds could explore the story of Idaho.

Ms. Gallimore explained that the renovation resulted in world class displays covering 15,000 square feet of exhibitions. This work included architectural design and all things related to construction, design fabrication and installation for the exhibits, creating a storyline, and exhibition content that would ensure the story of Idaho would resonate across the state. They secured public financing as well as private fund raising; they exceeded their commitment to the Governor and Legislature by raising $4.3 million in private funds. Many volunteers participated in making this endeavor a success; many were Mountain Home Airbase volunteers. Ms. Gallimore provided a detailed description about the process (attachment 1 and attachment 1-a).

Dr. Totoricagüena, President/Owner, Idaho Policy and Consulting, introduced herself as a recovering academic who doesn’t teach school anymore but is a researcher. She earned her Ph.D. from the London School of Economics and British training is all about data methodology. After teaching for 20 years, Dr. Totoricagüena returned to Idaho and built her own consulting firm to establish research projects that would inform public policy makers. She was contacted by the Idaho State Historical Society to create a research project with methodology that would include people from around the state. Present day expectations for museums and historical societies are much more extensive than in the past. Then, the experience was much more passive, using photos and artifacts. Now the experience is more about interaction, emotion, input, and interactivity.

Dr. Totoricagüena reported that she and Ms. Gallimore traveled the state to gather information from people on content, design, and expectations. They gathered both quantitative data that was anonymous and qualitative data where people could speak. A massive database was created. They engaged over 1,000 people around the state geographically. Once the Museum opened, additional data was gathered from its visitors. The time frame was from October, 2018 to January, 2019: 15,000 people visited the Museum and they sampled 748 people who were Idaho, national, and international participants. From that data, information was developed to show who attended the Museum, age groups, where they came from, what they liked best, how they felt about the Museum, if they would come back again, and much, much more. She went through the results of the exit interviews and ratings and gave a thorough report (attachment 2).

Senator Winder commented that one of the tribes had some angst and hostility and asked if there has been any effort to deal with those issues. Dr. Totoricagüena stated that she has been making presentations to the Council on Indian Affairs. Ms. Gallimore added that the Governor made a presentation to the chairman of one of the tribes to alleviate some of the concerns.
ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 8:50 a.m.

___________________________  ____________________________
Senator Lodge, Chair                        Twyla Melton, Secretary
Idaho State Museum

Designing for Impact

Senate State Affairs Committee

March 18, 2019
VISITOR EXPERIENCE

This diagram shows visitor flow and relationships among the various aspects of visitors' experience in the new Museum.
Governor Brad Little
Janet L. Gallimore, Executive Director

Idaho State Historical Society Trustees

Don Pischner, District 1, Coeur d’Alene
Earl Bennett, District 2, Genesee
Bill Butticci, Chair, District 3, Emmett
Ernest Hoidal, District 4, Boise
Paul Smith, District 5, Twin Falls
Jim Johnston, District 6, Pocatello
Hope Benedict, District 7, Salmon

Affiliate Boards

Archaeological Survey of Idaho Board
Foundation for Idaho History
Franklin Pioneer Association & the City of Franklin
Friends of the Bishops’ House
Friends of Stricker Ranch, Hansen, ID
Governor’s Lewis and Clark Trail Committee
Historic Sites Review Board
Idaho Geographic Names Advisory Council
J. Howard Bradbury Logging Museum & the City of Pierce
State Historical Records Advisory Board
March 18, 2019
Senate State Affairs

Good morning madam chairman and committee members, I am pleased to be here this morning with Dr. Gloria Totoricaguëna to present a report on our Idaho State Museum and its impact.

On October 18, 2018, the country’s newest state museum reopened, 68 years after the first Julia Davis Park facility greeted visitors in 1950.

Our vision was to create a new state museum that would be a fun, interactive learning experience where people of all ages and backgrounds could explore the story of Idaho.

To realize the museums’ renovation, expansion and educational impact goal for 15,000 feet of world-class exhibitions, we had to concurrently achieve key project elements.

This work included architectural design, permitting, engineering, and construction;
exhibition and multi-media planning, design, fabrication, and installation; interpretive planning and creation of a comprehensive storyline narrative for exhibition content; storyline testing, to ensure the story of Idaho—told in its capital—would resonate across the state. We needed to secure public financing and undertake our first major private fundraising capital campaign; we exceeded our commitment to the Governor and Legislature by raising $4.3 million in private funds.

We had to move out old exhibits and hundreds of artifacts—a task completed with staff and mountain home air force base volunteers at a $900,000 cost savings to Idaho’s taxpayers. And we had to make the museum an agency-wide initiative- state museum, state archives, state historic preservation office, historic sites, administration- so all expertise could be brought to bear on the telling Idaho’s story.
We had ongoing consultations with Idaho’s tribes to create authentic and respectful content; established a business plan to maximize our investment and ensure long-term fiscal sustainability; and designed a museum retail store.

At the same time, our staff selected, conserved, and prepared artifacts and photographs; developed a broad education program plan, connecting Idaho curriculum priorities to the museum experience; and created an outreach strategy, including a digitization textile initiative, to connect the museum to Idaho and the world. Finally, we had to prepare for re-launch, including branding, agency-wide customer service training, and re-opening festivities.

We realized that the opportunity to create a new Idaho State Museum would be a once-in-a-lifetime opportunity to reimagine how to have Idaho’s story resonate across our state.
To achieve that, we established outcomes that would guide the project’s development, including:

- Deepening Idahoans’ connection to their state and build a statewide sense of community;
- Creating an essential resource for education and lifelong learning; and
- Contributing to the economic vitality of our state.

To attain intended outcomes, we conceived and executed museum planning with vision and precision to create an impactful visitor experience and maximize the museum’s role in applied, informal, and lifelong learning.

To shape exhibition content, we created an inclusive system of community engagement, including focus groups, electronic surveys, workshops, and small group meetings. We collaborated with 70 university academics and local scholars across Idaho. Wherever possible, we connected stories from Idaho’s past to the present,
providing vital context to the interpretation. And, we reflected Idaho’s diversity throughout the exhibition experience.

We conducted a formal storyline testing process in 2015 and 2016. Nearly 150 Idahoans in nine focus groups from across our state, representing diverse interests and Idaho’s education community, gave input. This data was used to create the final storyline and design.

Today, visitors experience 36 distinct exhibitions, enjoy over 46 multimedia programs, view nearly 900 photos, and discover over 500 artifacts. The project employed more than 100 designers, artisans, and craftspeople, as well as more than 31 Idaho-owned businesses and suppliers.

Walk through slides here!
Our commitment to working closely with Idaho’s federally recognized tribes to co-create tribal content and present an authentic understanding of the role that tribes have always played in Idaho was recognized nationally by the National Endowment for the Humanities.

The Idaho State Historical Society received one of 10 national Public Humanities Project Grants in 2018, in the amount of $400,000, for the scholarship in and engagement demonstrated through our close tribal partnership and exhibition development.

The Idaho State Museum is the culmination of years of statewide planning and visioning. Our goal was to create an essential resource for education and lifelong learning, an economic asset, and a place of inspiration.

To date, we are on track to achieve visitation of 155,000 annually; our revenues are in
alignment with our business plan; and we have earned nearly $600,000 in media coverage since opening.

But most importantly, we know what people are learning; where they are coming from, what they are feeling; and what they would like in the future. ISHS is positioned to invest public and private resources at their highest level of efficiency, while meeting the expectations of Idahoans, visitors to this great state, and our broad and devoted base of stakeholders and donors.

I am delighted that Dr. G is here today to present the results of our formal survey process and data.

Submitted: Janet L. Gallimore
PROJECT FACTS

- Over 1,600 GALLONS of paint used
- Over 3 TONS of metal used for exhibitions
- Over 870 Photographs
- Approximately 514 Artifacts
- From start to finish, the time involved in creating the media for the Idaho State Museum: 4.5 YEARS
- Over 2,000 design, shop and construction drawings developed in order to plan the new Museum
- Over 2,000 hours to design, draft, build, install and manage the Museum project
- Over 100 Designers, Artisans, & Crafts people contributed to the project
- Over 151,000 pounds of structural steel
- Over 8,000 4x8 sheets of plywood used
- Over 650 graphic elements
- Over 46 individual multimedia exhibits
- Over 36 individual artifact displays
- Over 8,500 SQUARE FEET of locally produced concrete masonry
- Approximately 7,000 square feet of local Table Rock sandstone
- The Origins Media Stream consists of 6 networked screens & snakes through 30 feet of the gallery.

- Over 80,000 square feet of exhibit surface area
- Idaho-owned businesses & suppliers employed: 31
- The number of exhibits were influenced by Idaho’s shape: 2
months of engagement and collaboration with specialists, local historians, businesses, educators and the public

18

OVER

1 Governor & First Lady
105 Legislators

50 community presentations on the Museum renovation and exhibitions redesign

50+

OVER

$17,000,000 dedicated to the entire Museum project

OVER

70 scholars & historians contributed to historical content

170+ Participants

9 separate focus group exercises throughout Idaho with

50+ hard hat tours of the project over the course of construction

For more information, please contact:

Janet Gallimore
Executive Director
janet.gallimore@ishs.idaho.gov

Liz Hobson
Museum Administrator
liz.hobson@ishs.idaho.gov

Mark Breske
Marketing and Communications Officer
mark.breske@ishs.idaho.gov

Idaho’s five federally recognized tribes on Museum project since 2013

Partnered with Idaho’s five federally recognized tribes on Museum project since 2013

HISTORY.IDAHO.GOV

2205 Old Penitentiary Rd.
Boise, ID 83712
(208) 334-2682
# AMENDED AGENDA #1
## SENATE STATE AFFAIRS COMMITTEE
8:00 A.M.  
Room WW55  
Wednesday, March 20, 2019

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<tr>
<th>SUBJECT</th>
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<tr>
<td><strong>RS27130</strong></td>
<td>REQUEST FROM HEALTH &amp; WELFARE COMMITTEE relating to medicaid and health risk assessments.</td>
<td>Senator Martin</td>
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<tr>
<td><strong>RS27126</strong></td>
<td>A CONCURRENT RESOLUTION extending temporary rules, with exceptions.</td>
<td>Vice Chairman Harris</td>
</tr>
<tr>
<td><strong>RS27127</strong></td>
<td>A CONCURRENT RESOLUTION approving administrative rules that impose a fee or charge, with exceptions.</td>
<td>Vice Chairman Harris</td>
</tr>
<tr>
<td><strong>RS27144</strong></td>
<td>RELATING TO CAMPAIGN FINANCE to appoint a committee to study issues related to campaign finance reform.</td>
<td>Chairwoman Lodge</td>
</tr>
<tr>
<td><strong>H 169</strong></td>
<td>RELATING TO FEDERALISM to add a new chapter, create a committee, and to provide a sunset date.</td>
<td>Representative Monks</td>
</tr>
<tr>
<td><strong>S 1159</strong></td>
<td>RELATING TO INITIATIVES AND REFERENDUMS Committee discussion only.</td>
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**MINUTES APPROVAL:**

- Minutes of January 30, 2019  
  Vice Chairman Harris and Senator Stennett
- Minutes of February 1, 2019  
  Senator Winder and Senator Anthon

*If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.*

**COMMITTEE MEMBERS**
- Chairman Lodge  
  Sen Anthon
- Vice Chairman Harris  
  Sen Souza
- Sen Hill  
  Sen Stennett
- Sen Winder  
  Sen Buckner-Webb
- Sen Vick

**COMMITTEE SECRETARY**
- Twyla Melton  
  Room: WW42  
  Phone: 332-1326  
  email: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE:       Wednesday, March 20, 2019
TIME:       8:00 A.M.
PLACE:      Room WW55

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

ABSENT/EXCUSED: None

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 8:17 a.m.

MOTION: Vice Chairman Harris asked for Unanimous Consent to move S 1159 to the first order of business. There were no objections.

S 1159 RELATING TO INITIATIVES AND REFERENDUMS. Committee discussion only.
Chairwoman Lodge indicated there would be no public testimony since there have already been four hours of testimony and many hours of reading emails and answering telephone calls.

DISCUSSION: Senator Mathias stated his concern that, in order to increase voter involvement and to require additional explanatory information, the best thing to do is to remove the time allotted to accomplish those goals from the current limit of approximately 18 months to 180 days as outlined in this bill. He questioned the ability to achieve the purported aims of the bill by shrinking the timeline so drastically.

Senator Winder recalled the horse racing initiative was accomplished in less than 90 days. He remarked he did not think 180 days was unreasonable.

Senator Stennett stated that all components of this bill make it the most restrictive, not just the time frame. She commented that county clerks may cause the initiative to fail without the fault of the sponsors due to the shortened timeline.

Senator Winder quoted from James Madison, father of the U.S. Constitution regarding the Bill of Rights. "I confess that in a government modified like this of the United States, the great danger lies rather in the abuse of the community than in the legislative body. The prescriptions in favor of liberty ought, therefore, to be leveled against that quarter where the greater danger lies, namely, that which possesses the highest prerogative of power. But this is not found in either the executive or legislative department of Government, but in the body of the people, operating by the majority against the minority." Senator Winder remarked this was an interesting statement because people have challenged the good will and intent of the members saying items that are being proposed are unconstitutional. He stated there are valid reasons the Idaho Constitution gives the Legislature the oversight of the initiative process. He pointed out
the process should be difficult; how difficult is the debate. The Constitution is to protect the rights of the minority.

Senator Mathias responded to Senator Winder's claim the 180-day requirement seemed reasonable and commented if the requirement was taken in isolation it would be reasonable. He remarked that when proposed provisions viewed together, it becomes a serious burden. Gathering information is difficult as well, most people do not know what legislative district they live in.

Senator Stennett acknowledged it is ironic the people are being requested to do an initiative process, and yet the Legislature is not held to the same rigor. Legislation is passed repeatedly without proper fiscal notes. The Legislature rarely considers local government's long-term financial implications. The fiscal note provides no resources for the Secretary of State to educate the voters. No revenue is allocated to counties for the extra burden of verifying signatures. Rural areas should be given ample time to do all that is expected. She remarked the only people who testified in support of the bill were lobbyists. Out of the thousands of emails, phone calls, and testimony, she has not heard a single person who was part of this initiative process who support this bill.

Senator Souza provided an example of someone who asked her why there was a fiscal note on the initiative. The person thought the Legislature took care of the cost after the process. Most people do not realize the initiative process bypasses the Legislature entirely after the required signatures are gathered. The initiative goes to the Governor who decides whether to sign it or not. If the initiative is signed, it becomes law and the Legislature has no say. What is interesting is that the legislators are being told that the legislative process is not thorough enough. Senator Souza remarked her concern is that many people do not understand that in the legislative process, a bill gets drafted. Senator Souza explained the full process of putting a bill before the Legislature from when the Legislative Services Office (LSO) crafts the proposed legislation until it is sent to the full body of the Senate or the House. Once approved, the bill is sent to the other side of the legislative body to begin the process. Both the House and the Senate have to approve the bill before it is sent to the Governor.

Senator Souza noted it is very important that everyone understands; when people walk up to a signature gatherer, they need to know what the initiative is about, why it is needed, and how much it is going to cost them as taxpayers now, and in the future.

**MOTION:**

Vice Chairman Harris moved to send S 1159 to the floor with a do pass recommendation. Senator Anthon seconded the motion.

**DISCUSSION:**

Senator Stennett stated she would not be able to support the motion. She stated she had hoped the Committee would at least give consideration to allow more time to thoroughly examine the bill. She asked for a roll call vote.

Senator Mathias remarked he was in support of Senator Stennett's remarks. He stated he would not be supporting the motion. He noted it seemed there was a deep irony that in an attempt to avoid becoming like another state whose legislative impulse is to impose new restrictions and fiscal impact statement requirements on the people, that this is the route the Committee has decided to pursue.

Senator Winder remarked he has struggled with the bill and there is an error that needs to be addressed. The timing and the image of the bill is not good. He stated there is a reason to be concerned about the initiative
process and to realize the Legislature does not have the Constitutional oversight in this process.

Vice Chairman Harris stated it is important the rural areas continue to have a voice in what is and what is not put on the ballot. He remarked he has looked and watched other states as the larger cities in those states have brought forth legislation. The rural areas of the states do not have any voice until the vote is before them. It is very important the ability to do an initiative is spread throughout the state as much as possible and this bill does that to an extent by extending the legislative districts to 32 out of 35. That is important in future initiatives.

Senator Winder addressed what the initiative really was trying to accomplish and that was to get Medicaid expansion. He stated the Senate has reacted well to that initiative. He stated he hoped the Legislature would receive some credit for listening and moving forward with what the initiative actually accomplished. He remarked he wanted to assure the public that the Senate has made an effort to hear what the people said and to bring forward the funding without any sideboards.

Senator Anthon stated he wanted to withdraw the second on the motion based on what the Majority Leader, Senator Winder, stated was a fatal flaw in the bill. He wanted to make a substitute motion.

MOTION: Senator Anthon moved to send S 1159 to the 14th Order of Business for possible amendment. Senator Vick seconded the motion.

DISCUSSION: Senator Hill stated there was an original motion with the second withdrawn and queried if Senator Anthon’s motion has become the primary motion or was it a substitute motion. He asked Chairwoman Lodge to rule on this item. Vice Chairman Harris withdrew his motion for lack of a second.

Senator Stennett reported she was not comfortable with sending the bill to the amending order. She suggested the bill stay in Committee. She voiced her concern that the Legislature is responsible for what kind of legislation goes forward. She expressed trepidation about the difficulty of changing this bill. She remarked this bill will allow companies and big money from outside of the state to take over the process, pedal initiatives to the state from a national platform, and bring in and pay themselves to buy signatures to bring initiatives that are not reflective of Idaho politics and people.

SUBSTITUTE MOTION: Senator Stennett moved to hold S 1159 in Committee. Senator Mathias seconded the motion.

ROLL CALL VOTE ON SUBSTITUTE MOTION: Senator Stennett called for a roll call vote. Vice Chairman Harris and Senators Hill, Vick, Anthon, Souza and Chairwoman Lodge voted nay. Senators Winder, Stennett, and Mathias voted aye. Senator Winder changed his vote to nay. The motion failed.

Chairwoman Lodge called for the vote on the original motion to send S 1159 to the 14th Order of Business.

ROLL CALL VOTE ON ORIGINAL MOTION: Vice Chairman Harris and Senators Winder, Vick, Anthon, Souza and Chairwoman Lodge voted aye. Senators Hill, Stennett, and Mathias voted nay. The motion carried.

DISCUSSION: Chairwoman Lodge thanked all for attending and for the attention and courtesy shown. She said the Committee has listened and worked hard on this bill. This has not been brought about by Medicaid. Chairwoman Lodge stated she was very active in the horse racing initiative and understood the initiative process and how difficult it is to gather signatures.
VOTE ON GUBERNATORIAL APPOINTMENT:

THE GUBERNATORIAL APPOINTMENT of Thomas J. Wilford to the Idaho Endowment Fund Investment Board.

MOTION:

Senator Vick moved to send the Gubernatorial appointment of Thomas J. Wilford to the Idaho Endowment Fund Investment Board to the floor with the recommendation that he be confirmed by the Senate. Senator Winder seconded the motion. The motion carried by voice vote.

RS 27130C1 REQUEST FROM THE HEALTH & WELFARE COMMITTEE relating to Medicaid and health risk assessments.

Senator Martin explained the purpose of Section I of this legislation is to direct the Idaho Department of Health and Welfare (IDHW) to research options related to Medicaid coverage of behavioral health services for adults between the ages of 21 and 64 in hospitals or nursing facilities of more than 16 beds that are primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, also known as institutions for mental diseases. Recent federal guidance has allowed states to receive waivers to provide this coverage, which may be advantageous for Idaho citizens.

Senator Martin reported the purpose of Section II of this legislation is to ensure that all individuals eligible for Medicaid have access to the Work Services Program (WSP) which will provide opportunities for participants to create pathways to employment in their communities, including access to job search, career coaching, job training, and educational opportunities. Enrollment in the WSP will be made available to everyone enrolled in the Medicaid program. Individuals will be given the opportunity to enroll in the WSP at application and renewal of Medicaid eligibility.

Senator Martin outlined the purpose of Section III. There are three elements: 1.) implementation of Proposition 2 shall not be delayed due to action or inaction of the federal government; 2.) should Congress amend or a court order set aside 42 U.S. Code § 1396(y), the Legislature may declare Idaho Code § 56-267 null and void; 3.) should the federal participation rate for funding fall below 90 percent, this section of Idaho Code § 56-267 shall become null and void.

Senator Martin explained the cost and continuance of certain programs. He gave some estimated percentages of people that use the indigent program. He noted there should be some savings in the program.

MOTION:

Senator Hill moved to send RS 27130C1 to print. Vice Chairman Harris seconded the motion.

DISCUSSION:

Senator Winder referred to page 8, section 5 of the bill and stated, as he understood the testimony, that if item 4 was declared unconstitutional or the percentage was below 90 percent, Idaho Code § 56-267 of the bill would become null and void. Senator Martin indicated if the Affordable Care Act (ACA) is held unconstitutional, the Legislature may declare this section to be null and void and not in effect. His intention was for the Legislature to have the opportunity to decide what is best for the State of Idaho and not be totally controlled by outside forces.

Senator Stennett asked for further explanation of pages 1 and 2 as it pertained to substance abuse disorders or mental health disease. Senator Stennett and Senator Martin discussed Institution for Mental Diseases (IMD) waivers and the universal desire to request that waiver. Senator Martin explained what happened with the waiver. The Idaho
Department of Health and Welfare (IDHW) has proceeded to start the IMD waiver, which would shift the costs of services from medical facilities through Medicaid expansion to the federal government.

**VOTE:**

The motion to send RS 27130C1 to print carried by **voice vote. Senator Stennett** and **Senator Mathias** asked to be recorded as voting nay.

**RS 27126**

A CONCURRENT RESOLUTION extending temporary rules, with exceptions.

**Vice Chairman Harris** reported the concurrent resolution approves all temporary rules adopted by state agencies and submitted to the Legislature for review during the 2019 legislative session, with the exception of the following dockets: Idaho Administration Procedures Act (IDAPA) 25.01.01, the Idaho Outfitters and Guides Licensing Board, Docket Number 25-0101-1802 in its entirety; and IDAPA 29.01.03, the Idaho Potato Commission concerning Rules Governing Nominations for Appointment as a Commissioner to the Idaho Potato Commission, Docket Number 29-0103-1802 in its entirety.

**RS 27127**

A CONCURRENT RESOLUTION approving administrative rules that impose a fee or charge, with exceptions.

**Vice Chairman Harris** stated RS 27127 explained Idaho Administration Procedures Act (IDAPA) 24.28.01, Rules of the Idaho Bureau of Occupational Licenses of the Barber and Cosmetology Services Licensing Board, Section 851., Subsections .05, .06, and .07., only adopted as pending fee rules under Docket Number 24-2801-1802; and IDAPA 26-01.10, Rules of the Idaho Department of Parks and Recreation, Rules Governing the Administration of Temporary Permits on Lands owned by the Idaho Department of Parks and Recreation, adopted as pending fee rules under Docket Number 26-0110-1701, the entire rulemaking docket.

**MOTION:**

**Senator Souza** moved to print RS 27126 and RS 27127. **Senator Winder** seconded the motion. The motion carried by **voice vote.**

**PASSED THE GAVEL:** Chairwoman Lodge passed the gavel to Vice Chairman Harris.

**RS 27144**

RELATING TO CAMPAIGN FINANCE to appoint a committee to study issues related to campaign finance reform.

**Chairwoman Lodge** reported this legislation would authorize the Legislative Council to appoint members of the Senate and House to the Campaign Finance Interim Committee (CFIC) to continue to study issues relating to campaign finance reform in Idaho. The goal of the CFIC will be to bring "sunshine" and confidence into political activities by candidates, lobbyists, political action committees, political committees, and political parties. She noted the CFIC cost is not expected to exceed $10,000 and will be paid out of the Legislative account.

**MOTION:**

**Senator Anthon** moved to send RS 27144 to print. **Senator Stennett** seconded the motion. The motion carried by **voice vote.**

**PASSED THE GAVEL:** Vice Chairman Harris passed the gavel back to Chairwoman Lodge.

**H 169**

RELATING TO FEDERALISM to add a new chapter, create a committee, and to provide a sunset date.

**Representative Monks** indicated the purpose of this legislation is to create a committee on federalism. The committee will monitor and review federal acts, laws, and regulations that may potentially impact the jurisdiction, governance, and sovereignty of the State of Idaho. **Representative Monks**
Representative Monks noted that oftentimes federal government programs require the State to participate financially. This committee will look for ways that Idaho may maintain control. He explained the reason there is a sunset clause is for the committee to find out if the time spent is worthwhile and serves a good purpose. He referred to some pending legislation and stated it is essential the Legislature look at ways to implement what the state does as opposed to only doing what the federal government mandates. He cited a few court cases and pointed out the U.S. Supreme Court has recognized the relationship between the states and federal government. States cannot be forced to inappropriately implement a federal program. The relationship between the states and the federal government will continue to be an important issue.

DISCUSSION: Vice Chairman Harris and Representative Monks discussed the makeup of the committee and whether eight members were enough.

Senator Stennett inquired if the level of authority of the committee would dominate over the Legislature and other government entities. Representative Monks stated the role of the committee is only advisory. They discussed the cost of travel expenditures for the committee and the hiring of outside legal counsel as opposed to using available resources within the state.

Senator Mathias commented this is a very interesting proposal and it is important that states do a better job of monitoring the nature and extent of the power given to the federal government and the repercussions that the federal government has on the states. He queried how one determines whether someone is knowledgeable about the U.S. Constitution.

Representative Monks stated he thought legislators are knowledgeable because of their jobs at the Capitol. They are constantly re-reading both the U.S. Constitution and the Idaho State Constitution. The determination is left up to the President Pro-Tempore of the Senate and the Speaker of the House to choose members of the committee with experience and knowledge. Senator Mathias stated he would like to see other components included in choosing the committee members. Representative Monks mentioned others are invited to testify and may be of value.

Senator Winder queried if there was a way to combine the committee of federalism and the oversight committee of the Federal Lands Council and others and identifying an overall oversight committee so this becomes one of a set of subcommittees that would deal with transportation, education, and so on. This may downgrade the federal lands issue and put it more on a par with other ongoing issues. Representative Monks indicated he would be open to ideas and suggestions.

TESTIMONY: Bryon Brooks, Idaho Wildlife Federation, spoke in opposition to this bill. He stated this bill creates a committee that has no power. The fiscal note is grossly understated.

DISCUSSION: Senator Vick and Mr. Brooks discussed the purpose of interim committees, saving millions of dollars, and setting parameters for the committee.

Senator Mathias stated the courts have ruled on issues dealing with federalism and this committee could prevent costly litigation. Mr. Brooks stated this committee would be duplicating services already in place.
TESTIMONY: Jonathan Oppenheimer, Government Relations Director, Idaho Conservation League, testified in opposition to the bill. He stated this bill is redundant. The fiscal note does not provide for the costs the committee would incur.

DISCUSSION: Representative Monks stated every fiscal note is an estimate. Additional moneys would have to be approved. The purpose of the committee is to look at the federal government and not allow the courts to determine what Idaho can and cannot do.

MOTION: Senator Winder moved to send H 169 to the 14th Order of business for possible amendment. Senator Vick seconded the motion.

DISCUSSION: Senator Winder made a comment about federal and state lands issues. He stated legislators should be self-educated as they work with public policy. He reported the fiscal note has controls in place when outside counsel is necessary. Legislators have a constitutional obligation to work with the federal government on all issues. He encouraged the supporters to come up with an amendment.

Senator Hill referred to a letter he received from Speaker Robin Voss of the Wisconsin Assembly on the issue of federalism. He quoted a few sentences where Speaker Voss encouraged Senator Hill to consider creating a task force, working group, or a standing committee to explore exercising the authority granted to states through federalism. Speaker Voss indicated in his letter this is an important step in pushing for states to be the principal policy makers in the relationship with the federal government. This has to do with the relationship at the legislative level with the government as well as the executive level and there are many agencies that are dealing with this. He urged agencies to negotiate the relationship they have with their federal counterparts. This could save money and add to the whole relationship of federalism that is very important. Senator Hill stated he was in support of the motion.

VOTE: The motion to send H 169 to the 14th Order of Business for possible amendment, carried by voice vote. Senators Stennett and Mathias asked to be recorded as voting nay.

MINUTES APPROVAL: Vice Chairman Harris moved to approve the Minutes of January 30, 2019. Senator Stennett seconded the motion. The motion carried by voice vote.

Senator Winder moved to approve the Minutes of February 1, 2019. Senator Anthon seconded the motion. The motion carried by voice vote.

ADJOURNED: There being no further business at this time, Chairwoman Lodge adjourned the meeting at 9:58 a.m.

___________________________
Senator Lodge
Chair

___________________________
Twyla Melton
Secretary

Assisted by Linda Kambeitz
AMENDED AGENDA #2
SENATE STATE AFFAIRS COMMITTEE
8:00 A.M.
Room WW55
Friday, March 22, 2019

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<td>Senator Brackett</td>
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<td>H 205</td>
<td>RELATING TO PROCEEDINGS TO ESTABLISH PATERNITY to change definitions in Idaho Code to determine paternity at an earlier date than birth.</td>
<td>Representative Green and Representative Kingsley</td>
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<td>Representative DeMordaunt and Representative Armstrong</td>
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<td>H 251</td>
<td>RELATING TO THE STATE TREASURER to revise provisions regarding certain moneys.</td>
<td>Representative Monks</td>
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If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS
Chairman Lodge    Sen Anthon
Vice Chairman Harris Sen Souza
Sen Hill           Sen Stennett
Sen Winder        Sen Buckner-Webb
Sen Vick

COMMITTEE SECRETARY
Twyla Melton
Room: WW42
Phone: 332-1326
email: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Friday, March 22, 2019
TIME: 8:00 A.M.
PLACE: Room WW55

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

ABSENT/EXCUSED: None

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 to order at 8:02 a.m.

RS 27152 UNANIMOUS CONSENT REQUEST from the Senate Transportation Committee regarding an Office of Performance Evaluation (OPE) for highway district consolidation.

Senator Bert Brackett, District 23, reported this concurrent resolution directs the OPE to develop, using a qualified out-of-state consultant, an independent evaluation regarding the implementation of a county-wide highway district system in Idaho. It will also include an analysis of the Local Highway Technical Assistance Council. OPE's evaluation will address specific and unique characteristics of our state, such as weather, terrain, size, and many remote rural regions.

Senator Brackett remarked the OPE estimates this study will cost $450,000. Their findings and report will be submitted to the Legislature no later than the 2021 Legislative Session.

DISCUSSION: Senator Hill queried if it was preferable to have OPE conduct a study as opposed to having an interim committee conduct a study. Senator Brackett responded this was a similar process used for the 2009 evaluation of the Idaho Transportation Department (ITD). Most recommendations were followed and resulted in savings and reorganization within the department.

Vice Chairman Harris remarked the study is not ordinary. The Joint Legislative Oversight Committee (JLOC) has met and chosen the projects for next year.

TESTIMONY: Rakesh Mohan, Director, OPE, reported a similar study was conducted in 2008 and this request appeared to be a similar process. JLOC has to approve this project. The request for the study will come from the Legislature and JLOC will inquire about the work load. In the past, an outside consultant would be hired if OPE did not have the capacity to conduct this kind of project. This would still be the case.

DISCUSSION: Senator Winder stated that, by having this project approved by JLOC, a lot of power was given to a committee that comes from the Legislature. Mr. Mohan reported this is in statute.

Senator Stennett queried if the fiscal amount was enough for this kind of study. Mr. Mohan indicated the last study that was done amounted to $585,000 and the Legislature allotted $550,000. However, 20 percent of the money was returned. He mentioned the estimated cost of the consolidation study today would be $300,000.
Mr. Mohan indicated the study will involve the consolidation of 300 highway districts. He mentioned the study is large and extensive and five or six consultants will have to be hired.

Senator Souza queried if the 2008 study was effective in creating enough change worth the time, effort, and money. She stated JLOC has already chosen projects for next year and wondered if the OPE would be able to conduct this study and still do justice to the remainder of its projects. Mr. Mohan reported on the accomplishments of the 2009 study. Most of the recommendations were implemented and the Governor's office established a task force to find ways to continue to provide additional funds to the ITD. He mentioned he would be involved in all levels of the study in an oversight position, and explained how and what that involvement would be. Mr. Mohan stated if JLOC agrees to do the study, he will request some rearrangement of his other duties.

**MOTION:** Senator Winder moved to send RS 27152 to print. Senator Anthon seconded the motion. The motion carried by voice vote.

**RELATING TO PROCEEDINGS TO ESTABLISH PATERNITY** to change definitions in Idaho Code to determine paternity at an earlier date than birth.

**H 205** Representative John Green, District 2, reported this legislation changes the definitions in Idaho Code § 7-1103 regarding "child," "mothers" and "fathers," to include a preborn child, conceived but not yet born; enabling the State or a private party to determine paternity at a much earlier date than birth. Due to technological advances, paternity, by non-invasive means, can be established with legal certainty while the child is in utero. This will allow the State or a private party to attain an earlier date to an action for paternity and to recover payments for financial responsibility owed by a father. These cases oftentimes involve State funds for indigent health care. This is a way financial responsibility can be attached to a responsible party at an earlier date.

**DISCUSSION:** Senator Stennett inquired if the father would be held responsible for any kind of cost during pregnancy. Representative Green stated costs could be pursued in the courts. A discussion ensued with Senator Hill and Representative Green regarding custody and the courts.

**MOTION:** Senator Souza moved to send H 205 to the floor with a do pass recommendation. Vice Chairman Harris seconded the motion. The motion carried by voice vote. Senators Stennett and Mathias asked to be recorded as voting nay.

**H 199** **RELATING TO CONCEALED WEAPONS** to revise provisions regarding the carrying of concealed weapons.

Representative Bryan Zollinger, District 33, pointed out a major change in subsection 4 and a small language change to clarify the intention of the bill. He explained the exceptions on page 2, paragraph 3. He noted the bill provides for qualifications when a person cannot carry a concealed weapon. Some of the exceptions are in a person's place of abode or fixed place, a business, and on the property in which a person has ownership or leasehold interests. He cited the example of a person's vehicle. A firearm has to be unloaded every time a person enters their car. This bill changes any knife that is considered a deadly weapon from a four to a six-inch blade. A deadly weapon has its own definition and a four-inch blade would be considered a deadly weapon if it was used to assault someone with the intent to do harm or with the intent to murder.

**DISCUSSION:** Senator Stennett referred to page 2, line 15 and remarked a firearm that is not loaded and is in a motor vehicle was changed to any deadly weapon concealed in a motor vehicle; but we have taught our children for years about carrying and unloading firearms in vehicles.

Senator Vick commented he liked the clarifying language about the age of 18 years or older not being disqualified from being issued a license.
Senator Mathias referred to page 2, line 9 and remarked the language shift did not apply to 21 year-olds in another section of the bill. Representative Zollinger stated that probably should have been changed and should be changed in the future.

MOTION: Senator Vick moved to send H 199 to the floor with a do pass recommendation. Senator Anthon seconded the motion. The motion carried by voice vote.

H 270 RELATING TO ELECTIONS to provide that public schools be made available as precinct polling places.

Representatives Gayann DeMordaunt, District 14, and Representative Randy Armstrong, District 28, presented this bill. Representative Armstrong noted the purpose of this legislation is to ensure that public schools are available as polling locations on Election Day. Public schools currently make up over 28 percent of the polling places used throughout the state. As public facilities are located in proximity to residential communities, schools are essential to insuring polling place-based voting. Additionally, schools meet similar requirements for the American Disabilities Act (ADA) accessibility as is required by federal law for voting.

Representative Armstrong noted there is a delayed effective date of July 2020 in order to allow adequate time for county clerks and school districts to make any adjustments needed as a result of this legislation. There should be a minimal impact to school districts and counties to accommodate this legislation.

Representative Armstrong pointed out several school buildings used for polling places have been closed in Bannock County. This has made it very difficult for county clerks and county commissioners to find appropriate polling places as they have to be ADA approved. The language in the bill poses a potential safety issue. When a school is asked to be a polling place, it wouldn’t necessarily have to be during the school day.

DISCUSSION: Senator Souza inquired if the school had a separate entrance that could be securely cordoned off from the rest of the school, and is part of the building. Representative Armstrong responded in the affirmative.

Representative DeMordaunt stated schools make up a large percent of polling places, and in larger areas almost half. Finding adequate space is increasingly difficult. Schools always meet ADA requirements. Bonneville, Bannock, and Canyon Counties have recently faced increasing challenges using schools for voting. The concern is that without the use of our schools, county clerks will be forced to look at other methods of voting. There is a challenge in consolidating polling locations for multiple precincts and locating them farther away from actual residents of the precinct. Voters could be disenfranchised. The Idaho School Boards Association and the Idaho School Superintendents Association do not oppose this bill.

TESTIMONY: Tim Hurst, Chief Deputy, Idaho Secretary of State, testified in support of this bill. He stated the biggest concern is if the number of polling places is reduced, the size of the precincts will have to be increased.

Chris Yamamoto, Canyon County Clerk, stated Canyon County has 13 school districts with some overlap. There are 64 precincts containing 21 schools; 23 precincts have polling places within those 21 schools. The farther someone has to drive, the less likely they are to vote. Every time polling places are changed, that creates an issue. In 2020 there will be a census and redistricting. He mentioned they only wanted to move people's polling locations once instead of twice. He has spoken with the clerks involved and they will use this law to negotiate in good faith, rather than using it as a hammer. He stated he hoped this begins the conversation for school security and funding election facilitation at schools. Senator Vick inquired why Nampa and Middleton did not want schools in their districts being used as polling places anymore. Mr. Yamamoto cited security reasons.
Steve Brown, Chairman, Bannock County Commission, testified in support of this bill. He commented taking school polling locations and the neighborhood polling locations out suppresses the vote. When polling places are consolidated, a psychological barrier is created. He cited a 2016 study conducted by the Massachusetts Institute of Technology that found that a standard deviation of a 2.45 mile increase in distance to a polling location reduced the number of ballots cast by 2 to 5 percent. Schools are owned by the taxpayers and not the school districts. Schools are the preferred venue for elections because schools are located relatively evenly across the jurisdiction. Schools maintain sufficiently large spaces for operating efficient polling locations and election officials are generally not required to pay for use of these public facilities.

Mr. Brown noted that California has already been able to address this situation. There is a state law that says when a request comes in from a county, that request has to be honored. The Superintendent of Public Instruction sent a letter to the schools in 2018 where he stated there are three options: 1.) leave the school open and in session while a specific area is designated and secured; 2.) designate the day as a staff training or development day; or 3.) simply close the school to students and non-classified employees. California also aggressively encourages their high school students to be part of the process. They encourage students to be poll workers, so they can see firsthand the election process and the voter experience.

DISCUSSION: Senator Souza commented the three points about California's accommodations to make schools usable for voting and safe for students seems to show common sense, and are practical and doable. She remarked there is nothing in the bill for the safety of students. Mr. Brown stated he could not give a definitive answer as to why since, when the solutions were brought up to the House, they were immediately turned down. He is not sure everything has to be defined. He noted if there is an open door, discussions can occur and relationships can be built with the different agencies. It is the responsibility of the elected officials to be able to have an ongoing public conversation.

Senator Souza noted there are no considerations in this bill for the safety of the students. A great deal of money is dedicated to student safety in schools. If schools can be cordoned off safely with locked doors and only outside entrances to that part of the school, that is very appropriate for use in voting. If that is not available, then a school teacher workday or some other method of making sure the students are not going to be exposed to people coming in from the outside, would be feasible. Mr. Brown responded that part of the attempt is to be able to have a discussion and work out the issues on an individual basis.

Senator Souza queried why there is a different standard for a polling location than there is for the daily activities of the school. Mr. Brown stated they are looking for flexibility so that each local area can decide what is the best way to achieve the goals without coming down with a hammer.

TESTIMONY: Phil McGrane, Ada County Clerk, added this issue is major and continues to grow in urban areas because of the population density. This legislation is a policy statement to maintain the status quo to continue the use of schools as polling places, since it is becoming increasingly difficult. Churches are exempt from the ADA requirements. The Department of Justice had mandated polling locations be moved. After the polling places were moved, people were upset, even when schools were being used.

MOTION: Senator Winder moved to send H 270 to the floor with a do pass recommendation. Senator Stennett seconded the motion. The motion carried by voice vote.

H 251 RELATING TO THE STATE TREASURER to revise provisions regarding certain moneys.
Representative Jason Monks, District 22, reported this legislation removes the current requirement that moneys in the custody of the State Treasurer be kept in a vault and would allow moneys not otherwise deposited or invested to be kept in the office of the State Treasurer. Also, some obsolete language in the law has been removed.

DISCUSSION: Senator Stennett inquired about emergencies, including a fire situation. Representative Monks stated the current code requires that moneys be deposited in the Treasurer’s office in a secure location.

Senator Vick inquired as to the amount of money being stored. Representative Monks noted the money could be a nightly deposit that comes in, but would be moved to the bank soon.

MOTION: Senator Hill moved to send H 251 to the floor with a do pass recommendation. Vice Chairman Harris seconded the motion. The motion carried by voice vote.

Chairwoman Lodge commended two boys in the audience and thanked them for listening. She also thanked Senator Mathias for spending his time with the Committee. She wished him the best of luck. She thanked him for his service to our country.

ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 9:28 a.m.
AMENDED AGENDA #1
SENATE STATE AFFAIRS COMMITTEE
8:00 A.M.
Room WW55
Monday, March 25, 2019

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<th>SUBJECT</th>
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<td>RS27158</td>
<td>UNANIMOUS CONSENT REQUEST from the Senate Transportation Committee related to motor vehicles to provide for certain registration and mileage fees.</td>
<td>Senator Brackett</td>
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<td>H 122</td>
<td>RELATING TO HEMP by the addition of a new chapter to enact the Hemp Research and Development Act to provide legislative intent and attendant requirements for that addition.</td>
<td>Senator Lee</td>
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<tr>
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<td>RELATED TO CONCEALED WEAPONS to lower the age limit for the concealed carrying of a handgun within city limits.</td>
<td>Representative Zito</td>
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MINUTES APPROVAL:
The minutes of February 6, 2019

Senator Hill and Senator Vick

The minutes of February 15, 2016

Senator Winder and Senator Souza

PAGE GRADUATION:
Graduation of Katie Angell who served as page for the 2nd half of the 1st Regular Session of the 64th Idaho Legislature

Chairwoman Lodge

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS
Chairman Lodge
Vice Chairman Harris
Sen Hill
Sen Winder
Sen Vick

Sen Anthon
Sen Souza
Sen Stennett
Sen Buckner-Webb

COMMITTEE SECRETARY
Twyla Melton
Room: WW42
Phone: 332-1326
email: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Monday, March 25, 2019
TIME: 8:00 A.M.
PLACE: Room WW55

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

ABSENT/EXCUSED: None

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 8:05 a.m.

RS 27158 UNANIMOUS CONSENT REQUEST from the Senate Transportation Committee related to motor vehicles to provide for certain registration and mileage fees.

Senator Bert Brackett, District 23, explained this legislation is not intended as a revenue raising measure. It replaces the current five-tier system of registering all commercial and farm vehicles having a maximum gross weight in excess of 60,000 pounds.

MOTION: Senator Anthon moved to send RS 27158 to print. Senator Souza seconded the motion. The motion carried by voice vote.

H 122 RELATING TO HEMP by the addition of a new chapter to enact the Hemp Research and Development Act to provide legislative intent and attendant requirements for that addition.

Senator Abby Lee, District 9, asked the Committee to refer to the first handout "2018 Farm Bill and What it Means for Hemp in Idaho" (see attachment 1). This is referring to the 2018 United States (U.S.) Farm Bill (Farm Bill). One of the most significant things in that bill is it removes industrial hemp, defined as cannabis sativa, and all of its extracts with not more than .3 percent tetrahydrocannabinol (THC) from the list of controlled substances. This is a major change at the federal level. In Idaho, we need to preserve our primacy for how hemp would be regulated in our state, and we need to do it this session. This handout provides a blueprint of what it would look like to regulate hemp in our state. Senator Lee said that the Federal Government has not recognized marijuana as a legal substance, but has recognized hemp as legal when it contains .3 percent THC or less. That means that the Drug Enforcement Agency has no authority to interfere with interstate transportation of hemp; this creates a major issue for Idaho. It is important that action is taken this session because of the requirements in Idaho Code, Title 37, Chapter 27 and Title 67, Chapter 52 (see attachment 2). As the Federal Government works to promulgate rules, Idaho needs to give them and the Idaho Department of Agriculture (ISDA) legislative direction on what is expected to be Idaho's policy. This bill would conform the appropriate Idaho statutes and policies with the Farm Bill. Senator Lee pointed to a display of hemp products that are currently being sold in Idaho but are imported from other places, mainly China and Canada. The U.S. purchases about $60 million worth of hemp products from China. She called attention to a second handout called "Poised for Takeoff," taken from the
Farm Journal, February, 2019, that shows the diversity of hemp (see attachment 3). If action is taken, Idaho would be one of the last states to legalize hemp.

**Senator Lee** discussed Idaho’s current policy which says that anything that contains THC is marijuana. There are several questions that must be resolved: how do we measure THC; how will law enforcement be affected; and how will producers be protected. Under the Farm Bill producers could get crop insurance and bank loans similar to other crops. The objective is to make sure there are tools for law enforcement and time for research for a highly regulated industry. It is also an assurance that Idaho would have a part in promulgating those federal rules as well as Idaho rules over the interim.

**Representative Dorothy Moon,** District 8, stated she was here to explain the testing that will determine if the product is hemp or marijuana. There are some tools available for testing as shown in Sage Analytics (Sage) that can determine CBD content and THC content (see attachment 4). **Representative Moon** addressed the testing methods, the available kits, and how the industry is changing. She referred to Trace Analytics (Trace) showing that there is a place to test both CBD and THC and explained Trace capabilities in detail (see attachment 5).

**DISCUSSION:**

**Senator Winder** asked how long it took Trace to run a test. **Representative Moon** said the turnaround time is 24 hours after they receive a sample; the cost is $60 per sample.

**Senator Anthon** asked if the field testing kits from Sage were available to law enforcement at this time. **Representative Moon** responded that they were available.

**Representative Moon** reinforced the information that: 1.) there are places that can do testing; 2.) there are roadside devices that can be used; and 3.) there was time to establish protocols for testing and to put them in place.

**Senator Stennett** asked if they have been working with law enforcement and the Office of Drug Policy to come to an understanding of what this bill is about. **Representative Moon** described the steps taken including holding the bill four weeks so the three co-sponsors and Representative Boyle could meet with the Idaho Sheriff’s Association, Idaho State Police, and the prosecutors to address their concerns and incorporate them into the bill as far as possible—keeping in mind that the plan will be developed by the Idaho Department of Agriculture (ISDA) with law enforcement’s input. This will continue to be a work in progress because this bill only provides an idea for what the final document will look like. **Senator Stennett** asked for clarity about what this bill is leading the Legislature to do.

**Representative Caroline Nilsson Troy,** District 5, stated that this request authorizes Idaho farmers and entrepreneurs the option to cultivate and process hemp. The Farm Bureau has had hemp as part of their policy for 22 years. She stated she had annually attempted to bring hemp legislation in compliance with the 2014 U.S. Farm Bill that allows each state to authorize agricultural colleges and the state Departments of Agriculture to grow and analyze how hemp would work in that individual state.

**Representative Troy** explained that Idaho is used to a highly regulated agriculture environment with water, pesticides, chemicals, and cattle operations. Most of those are regulated through rule. There will be significant state and federal regulations over hemp cultivation and production similar to what Idaho already manages. The U.S. Department of Agriculture (USDA) will require provisions for how Idaho will identify and track the land used for planting, how to test at every level of the process, and interstate transport. There will be annual inspections for growers and processors to submit information to the USDA and Idaho must certify that there are resources and personnel available to carry out the plan. States or Native
American tribal nations do not have to submit a plan for the 2020 growing season until the U.S. regulations are in place; that is expected in the fall of 2019. All state submissions must be reviewed by the USDA within 60 days after their submission. Representative Troy handed out an example of an application from Montana (see attachment 6). She explained the pertinent parts of the requirements in the application.

Representative Troy commented that H 122 is not an effort to legalize marijuana. It only provides resources and direction to the ISDA to put together a plan which would then come back to the Legislature next year through the rules process and would be reviewed again.

**DISCUSSION:** Vice Chairman Harris asked if there was a timeline for ISDA to have a plan submitted. Representative Troy responded that there was no clear timeline at this time.

Senator Stennett asked how law enforcement and the Office of Drug Policy have been involved in crafting this bill so their needs would be met. Representative Troy stated she has tried to work with the Office of Drug Policy over the last four years but their threshold was no hemp, not even research. However, they did work with law enforcement on some potential changes to the bill. Any changes needed could occur through the rules process.

Senator Anthon stated he has no interest in recreational marijuana in the State of Idaho. He asked, with rule being the governing force, if that would give law enforcement agencies the ability to enforce the law. Also, relating to the testing methods, which of those have been certified by the courts as admissible. Representative Troy agreed there was no interest in marijuana. This bill does not deal with compliance with interstate transportation of hemp products, this bill is specifically for Idaho agriculture to grow and process hemp. The primary regulations that will take place are for the producers to assure that THC levels are below the .3 percent level. As the plan moves forward, compliance with interstate commerce would have to be part of the plan; however, the plan is determined by the federal guidelines. Representative Troy said they are addressing the testing through another bill that would allow for additional scientific instrumentation for the ISP lab so they can do some research to determine the best solution to incorporate into the plan.

Senator Winder asked if Idaho farmers have to be fingerprinted for any other activity and, if not, shouldn't that be a warning the something is different with this product. Representative Troy replied that they did not. She agreed that something was different with this crop. The opportunity is going to be in seed production and Idaho is very good at seed production. Farmers will be taking a chance because of the .3 percent THC level; if it goes above that, the whole crop will be destroyed.

**TESTIMONY:** Greg Willison is a farmer in the New Plymouth area; he spoke as a grower of hemp and supports this bill. After retiring in 2016, he and his son, who farmed in Willamette, formed a partnership to grow hemp in Oregon. He provided a background about that endeavor and how they ended up farming in Coos Bay. He outlined their experiences there (see attachment 9).

**DISCUSSION:** Senator Winder inquired if hemp processors also processed marijuana and if so, are they specifically set apart so there can be no contamination or intermixing of the product. Mr. Willison said hemp processors do not process marijuana. He explained that marijuana is licensed through the Oregon Liquor Commission and the CBD extractions were licensed through the Oregon Department of Agriculture; they are completely separate entities and there is no crossover.

Senator Stennett asked if the hemp plant prefers a dryer climate and is it invasive. Mr. Willison responded that their plants grew well. The problem arose in the fall
when they were trying to dry it when there was so much moisture in the air. That is where Idaho would have a huge advantage because harvest falls during late September and October and those are dry months. However, in his opinion, seed production would create the most opportunities in Idaho. Cannabis is not grown in Idaho so there is no chance of a crossover and in the second year, the THC content would be nearly non-existent; that is unique.

Senator Anthon asked if Mr. Willison's crop was tested for THC levels and if so, was it over the .3 percent. Mr. Willison explained that they were tested 30 days before harvest as required and they passed that test easily. They also had to carry that report with them when transporting their product and they did that with a manifest they designed (see attachment 8) which included a chain of custody and the lab test. All of this information is not required but they wanted to maintain a level of transparency.

Chairwoman Lodge asked who the buyers were. Mr. Willison said they marketed some of it themselves and the extraction companies sold some of it for them.

TESTIMONY: Dean McKay is from the Wilder area where they grow hops and he supports this bill. Mr. McKay said they are excited about the possibility of an alternative crop where they can utilize their existing infrastructure to process industrial hemp. Idaho is the second, highest hops producing state in the country for the craft brewing industry. Their farm also grows commodity crops, fruits, and vegetables. They need a crop to offset the tight margins in which they operate. Mr. McKay stated his opinion that they were ready to take on this new crop. The practices of growing, harvesting and processing are nearly identical to what they do now. Industrial hemp would provide the ability to extend their growing season beyond that of the hops season.

DISCUSSION: Chairwoman Lodge said she had heard that hemp could not grow close to hops. Mr. McKay responded that he is a nurseryman and that is not true.

Senator Anthon questioned whether growing industrial hemp close to marijuana would compromise the hemp production. Mr. McKay answered that they could cross pollinate. Idaho is in a better position because they would only have industrial hemp here, not marijuana.

TESTIMONY: Benjamin Kelly, Food Producers of Idaho and representing 40 agriculture commodity groups, testified in support of H 122. Mr. Kelly advised the Committee that their members agree that the Hemp Research and Development Act is a responsible step forward in providing Idaho farmers with a viable opportunity to produce an additional crop and further diversify their operations. The Farm Bill did not mandate pesticide laws and regulations, leaving states and the private sector to develop their own procedures. Those procedures would necessitate keeping a record of where the hemp was produced and ensure that the product met the legal definition of not more than .3 percent THC content. Mr. Kelly explained that the process would include items such as disposal of hemp over the .3 percent limit. He also discussed some of the reasons the Treasure Valley is a great place to grow seed and the opportunities available in other Idaho areas for dry land farming of hemp.

DISCUSSION: Senator Stennett asked Mr. Kelly if, in his opinion, it would be lucrative and productive for growers in Idaho to "jump" in with growers across the nation to grow and process hemp. Mr. Kelly said Idaho should grow and process hemp. How lucrative this might be is the question. However, Idaho growers are the best in the country, they do what they do very well. It would be good in the sense of crop rotation between current crops and hemp. Of course it depends on the market, locations of processing facilities, and transportation.
Senator Winder questioned Mr. Kelly about any research he may have done on the effect of public acceptance of other forms of hemp when the ability to grow industrial hemp became legalized and the ensuing problems for law enforcement. Mr. Kelly responded that they had not done that research.

TESTIMONY: Braden Jehnse, Farm Bureau of Idaho (FB), spoke in support of H 122. Mr. Jehnse stated this has been a policy of the FB for 22 years and has been discussed repeatedly. The FB has a policy at both the state and federal level of supporting industrial hemp and opposing marijuana; they are very different crops. He stated that Idaho farmers understand very well the inherent risk of producing any new or emerging crop. It is important to have the research institutions study which varieties would be the best options for Idaho. Up to this time, the biggest objection to industrial hemp was that it was considered a controlled substance at the federal level. The change in federal law allows industrial hemp containing .3 percent THC or less; that is significantly different from other plants. Idaho farmers are capable of evaluating and studying for themselves then taking that information to make an informed decision. They need to be allowed to make those decisions and determine for themselves if this is a viable option for their operations.

DISCUSSION: Senator Lee recognized that they did work hard with law enforcement and hoped they would have time to speak. There may be some things that could be fixed on this bill. She said they are aware of law enforcement's issues and concerns and hope that H 122 gets us to the rule process. That would give law enforcement more flexibility than putting something in statute at this time without knowing exactly what the federal regulations are. Right now, THC is illegal in Idaho.

Senator Winder queried whether law enforcement could enforce rules. He had heard from them that they could only enforce laws that were in statute. Senator Lee said that it is better to have it in statute. However, having an opportunity to put rules in place allows time to bring this back and put something in statute that will be long term. The federal government has not come up with their rules yet so having law enforcement, the Governor’s office, and others come to the table and develop a plan that could then be submitted to the Legislature next session. It would also provide information to the federal agency when they are developing their rules. Between statute and rules, law enforcement's authority would be enhanced. Senator Lee added that they also sponsored legislation that provided funds for law enforcement to research what is needed for the field tests.

TESTIMONY: Hari Heath, Inland Hemp in Benewah County, stated that he is located in a primarily timber based economy. He explained the problems of a one crop economy and expounded on the opportunities of hemp and some of the products that come from hemp. Mr. Heath discussed an invention from Australia that allows the pulverization of the core of the stem of the hemp plant. He provided some details and statistics of what was happening throughout the country with hemp as well as how the growing and production would help his county and the surrounding counties. He discussed the availability of a suitcase sized field testing kit that is available out of Maine, and at the website orangephotonics.com.

Mathew Mead stated he was a Blaine County resident and Idaho business owner speaking in favor of H 122. He explained that his company, Hempintexture, uses industrial hemp as a component in high performing, sustainable building materials; specifically focusing on an insulating composite. He described in detail what parts of the hemp plant were used and the process. Mr. Mead talked about where they obtain their hemp and the variety of buildings that have been built in Idaho and across the country. There are many applications for industrial hemp, and there are opportunities for agricultural businesses and businesses such as his own if industrial hemp can be recognized as an agricultural commodity.
Senator Vick asked Mr. Mead where he manufactured these products. Mr. Mead said they are assembled on site and the materials come primarily from Kentucky. Senator Vick asked if, under current law, Mr. Mead worried about importing these products. Mr. Mead responded that this product has zero THC so it is legal to buy, sell, and trade any of these types of industrial hemp products; it is just illegal to grow it.

Senator Stennett queried Mr. Mead about the number of building materials where hemp is used. Mr. Mead replied that he didn't know how many types are being used but he did know that the crop they use is far different than that used for CBD oil. They are not looking for a row crop, they want plants that grow 15 feet tall and have stalks that are at least three to four inches in diameter. It is easy to recognize the difference between a CBD based row crop versus a fiber or seed based crop.

Michelle Gooding, Gooding Farms, Inc., stated she is a sixth generation farmer from Parma and President of the Idaho Hop Growers Association. They believe hemp can be as successful as growing hops has been. She asked the farmers in the room who support the bill to stand showing that Idaho is an agriculture state and it is important to focus on that aspect.

Katie Donahue spoke in favor of H 122 but noted that she has a unique perspective because she is also a cannabis patient but is adamantly against recreational marijuana; she explained her reasons. She emphasized how different the cannabis and hemp species are and how different the resulting products are.

Scott Bandy spoke on behalf of the Idaho Prosecuting Attorneys Association stating they have never taken the position that they are opposed to the lawful growing of hemp in Idaho. They have never believed that preventing Idaho farmers from growing a viable crop was a good idea as long as the necessary precautions are taken to allow law enforcement to do their job. Mr. Bandy stated that he worked hard on amendments with the co-sponsors but they were stricken from H 122; those changes did not prevent the growing of hemp, it only allows the regulation of interstate transport. He stated they do not enforce rules because the violation of rules are not criminal violations. Mr. Bandy said he respectfully disagrees with those testifying today about the testing kits; Sage and Trace instruments have not been validated in a court of law nor have their lab tests. Also, Washington and Oregon law enforcement does not use Trace. All of these must be validated to be usable in a court of law. Mr. Brandy said that the current proposed amendments will allow them to do their job and will not interfere with any interstate transport of hemp that is being done in a lawful manner.

**DISCUSSION:** Senator Vick asked why these amendments have an emergency clause. Mr. Bandy answered that they are subject to the overlay of the Farm Bill. They cannot ignore developing a scheme to allow interstate transport through Idaho. They need to allow trucks to come through Idaho that have lawfully developed plants and still be able to enforce violations for those that do not. Mr. Bandy noted that Representative Moon said earlier today that they had seen the amendments but they went too far.

Senator Stennett asked how other states that have legalized hemp, but not marijuana, found a way for law enforcement to determine the difference between the two. Mr. Bandy said that the amendments they proposed were modeled on Kentucky statutes that provided a basis for roadside testing that was enforceable.

Vice Chairman Harris inquired about Mr. Bandy's timeline for implementation since he had indicated they couldn't be ready by July 1st. Mr. Bandy acknowledged that it would take about a year to get the testing equipment at the ISP lab ready to analyze the quantitative levels needed. There is currently no court validation to determine the .3 percent THC level.
DISCUSSION:

**Sheriff Kieran Donahue**, Canyon County, stated that profits can't override law; law enforcement has to enforce the law. He discussed the fact that canines cannot determine the level of THC in roadside testing, they can only tell if it is THC. **Sheriff Donahue** explained how the Mexican Cartels control drug trafficking in this area and are exploiting people with expectations of the increased amounts of money the growing and production of hemp will bring. It will also be a distraction for law enforcement because of the attendant complications of discerning the difference between the levels of THC. The Department of Justice has designated Oregon and Idaho as a drug trafficking area. He explained how hemp would lead to the marijuana movement and the cost to the State for recovery. A good example is Oregon. There is a crossover and we need to be very careful.

DISCUSSION:

**Senator Stennett** asked how other states that do not have marijuana, but grow hemp, manage out in the field. **Sheriff Donahue** referred to the Kentucky example. That is the best model. He emphasized that law needs to be prior to rule. **Senator Stennett** asked what is out there for best practices. **Sheriff Donahue** could not answer that question; it was subjective.
TESTIMONY: Charlie Spencer, Major, Idaho State Police, is in charge of their forensics program. He stated that best practices are in Virginia and Kentucky. They have looked at these two states for legislation that would help law enforcement as it relates to roadside testing. The supplemental appropriation funded for this year through the Joint Finance Appropriations Committee in the amount of $240,000 allows for an instrument in each of their laboratories; that would be in Coeur d'Alene, Pocatello, and Meridian. That instrumentation will allow them to tell what compounds are in a substance submitted from law enforcement. They can only do testing as it relates to criminal allegations. At this time, there is no court approved instrumentation that will allow roadside testing of a substance. Major Spencer explained that law enforcement cannot enforce Idaho Administrative Procedures Act (Rules) regulations so any regulations must be in statute.

DISCUSSION: Senator Vick asked what the turnaround time is for the installation of the new instrumentation. Major Spencer said that all preliminary work has been done in order to purchase those instruments. They are waiting for the appropriation to be finalized before they can go out to bid. When those instruments are set up, they will go through validation tests to make sure the results are repeatable, certifiable, and that they can testify as to the results of the tests in a court of law. He noted that the current lab can only test positive or negative. It will take approximately six to eight months to be up and running. Senator Vick inquired about the time between receiving the sample and the results showing the amount of THC in that sample. Major Spencer answered it would be about 24 hours or less; processing depends on the number of tests in the queue.

Senator Souza queried about the process for testing if a truck were to be stopped for roadside testing. Major Spencer described the step-by-step process from the time the truck was stopped, samples were obtained, and they were submitted to the lab for testing. Currently, the instrumentation does not exist that is admissible in a court of law.

Senator Winder pointed out that this is a very difficult issue. However, if the parties are agreeable to the amendments, those would be supported. Senator Winder stated he does not view this as an agriculture issue, it is about how to provide a balance to allow for a potential crop that could be beneficial without the disadvantages of THC. If there is a balance between the sponsors and law enforcement, that is the direction the Committee should go.

MOTION: Senator Vick moved to send H 122 to the 14th Order of Business for possible amendment. Vice Chairman Harris seconded the motion. The motion carried by voice vote.

H 206 RELATED TO CONCEALED WEAPONS to lower the age limit for the concealed carrying of a handgun within city limits.

Representative Christy Zito, District 23, explained that currently in Idaho, young adults between the ages of 18 and 21 years of age can carry a handgun open anywhere in the state. They can also carry concealed anywhere in the state except in the city limits. This bill proposes to remove that caveat so those young adults will be able to carry open or concealed throughout the State of Idaho.

Senator Winder asked if this bill, in any way, allows someone 18 years of age and still enrolled in school, to carry a gun on campus. Representative Zito responded

TESTIMONY: Adria Fisher introduced himself as a 16-year-old from Mountain Home, Idaho, and spoke in support of H 206. Mr. Fisher stated that this bill carries a special significance because in a little over a year he will be 18. He will be old enough to vote, to purchase a firearm, and to carry a firearm open or concealed throughout Idaho except, he will not be able to carry a concealed firearm within city limits. This
DISCUSSION: Senator Stennett asked Mr. Fisher how allowing this age group to concealed carry within city limits without training is similar to being in the military where there are rigorous rules to follow on how to handle a weapon; members of the military are highly trained, and they do not carry weapons off base. Mr. Fisher stated that the principal is the same whether carrying a concealed weapon to protect yourself or family members, or carrying a firearm in defense of your fellow countrymen. Training is not required for open or concealed carry for any other individual who is 18 to 21. Senator Stennett commented that one of the biggest problems law enforcement has is gang activity in schools. Kids younger than 18 can get guns from an 18-year-old who is still in school. She asked how he felt those younger student body members could be protected. Mr. Fisher said the law already prohibits guns on school grounds. Those laws are already being broken; one more law will not prevent gangs from doing things they are not supposed to do.

Senator Winder recalled from Mr. Fisher's testimony that an 18-year-old could buy a gun. He didn't agree but asked those coming forward to testify about that. Mr. Fisher stated that you couldn't purchase a handgun from a federally licensed dealer but you can buy one from someone who is not licensed.

TESTIMONY: Representative Julianne Young, District 31, outlined H 206 as being basic because it addresses an issue related to the basic God-given right of every person to protect and defend their life, liberty, and property. The point of the bill is to simplify current laws that are confusing, especially in rural towns where it is not always clear where city limits start and end. Since the 2016 Constitutional Carry law, crime rates have dropped across the state. This bill extends the opportunity for young adults aged 18 to 21 to lawfully conceal carry within the city limits. These young men and women are making contributions throughout Idaho, they are studying in universities and trade schools, serving in the armed forces, and living away from home. This gives those young, law abiding citizens the opportunity for self protection.

DISCUSSION: Senator Stennett referred to Idaho Code § 18-3302 that allows for those who are 18 years old to carry within city limits as long as they meet very basic training requirements. This bill does not require any kind of threshold like requiring a high school diploma, training, gun registration, proof of residency, and no information about a juvenile or disciplinary record. Representative Young said that section of code concerns constitutional carry and none of those things are required of anyone else who is concealed carrying or openly carrying a handgun. Some concern was raised about the effects this bill would have on reciprocity with Washington. The only way that could be affected was if Idaho did require a permit. She noted that since constitutional carry was passed, the number of people getting permits and training has increased. Senator Stennett said, according to the Uniform Crime Reporting Program put out by the Department of Justice, those aged 18 to 21 years have a gun homicide rate four times higher than adults 21 or older. She asked if that demographic should be carrying weapons. Representative Young quoted some information on weapons used in crime: 50 percent of those weapons were stolen; 25 percent of the remaining were obtained from a family member or friend; and only 1.2 percent of those weapons were obtained lawfully.

TESTIMONY: William Bones stated he is the Chief of Police for the City of Boise; he is representing both the Boise Police Department and the City of Boise. Chief Bones
commented that the ability and right to keep and bear arms is not the same as the manner in which those arms are carried; it is the legislative body of the state that makes those determinations. He commented on the basic information that has been stated in previous testimony and added that this bill would be giving those who are 18 years old the ability to carry guns concealed in areas where people are most concentrated with no controls, no prior training, no review of their capabilities or past decision making practices, or no evaluation for readiness before a gun is put in their hands. Chief Bones responded to the comments about the military. As Senator Stennett pointed out, the military comes with a great deal of supervision; intense direction, training, controls, and education on the decision behind using a firearm. People 18 to 21 years old are more likely to die from gun violence than older adults, are more likely to be involved in criminal activity, and they are more likely to make an impulsive decision without the experience to temper their action on potential outcomes. He described a variety of scenarios where carrying a concealed weapon could get out of control. He requested the Committee to leave the law in place as it is.

DISCUSSION:

Chairwoman Lodge ask if there are any reports regarding criminal activity for those aged 18 to 21 years in Boise. Chief Bones said they did not have that number available. However, 60 percent of crimes are committed by males age 18 to 26 and violent crime has dropped in Idaho.

Senator Winder asked if any problems have been apparent since the constitutional concealed carry laws for 18-year-olds passed one and a half years ago. Chief Bones reported that he was unaware of any problems that was created. He is concerned that the main concentration of Idaho's population, 70 percent, is within cities where big events are held and that is where there is most likely to be a problem. Those young people out hunting and hiking had a decreased risk.

Senator Vick asked why it is considered more dangerous to carry concealed than to carry open. Chief Bones said that when a gun is carried openly, there is an awareness of the gun and most youth will not carry openly because of that awareness. However, when the gun is concealed, the attitude changes and even though there is no intent for any consequences, the opportunities for something to happen is greater. Senator Vick observed that most larger venues have the ability to prohibit guns now. Chief Bones responded that most special events in Boise are held in the parks and downtown; they draw 10,000 to 20,000 people. Law enforcement finds it a little more difficult because they can't assume someone that age should have a permit or that they have the gun lawfully.

Senator Stennett asked how likely would it be, when defending yourself in a violent situation if you are not trained to use a gun, that you would inadvertently hit someone or do something unintentionally. Chief Bones said that even police officers, in violent encounters, miss most of the time.

Senator McCoy asked if Chief Bones was aware of the rate of alcohol and behavioral issues among those 18 to 21 year olds and if it is higher than the rest of the population. Chief Bones said he couldn't specify to the 18 to 21 group but for the population of those 16 to 20 years old, compared to the general population, there is a stronger likelihood that, in a violent encounter, alcohol or drugs would be involved.

TESTIMONY:

Greg Pruett, Idaho Second Amendment Alliance (ISAA), clarified issues that have been discussed. The law has been in effect for decades that this age group could carry concealed outside city limits. Training has been discussed, and the ISAA encourages as much training as possible; however, it is not the government's job to force that on its citizens. When constitutional carry passed in 2016, many dire scenarios were predicted; none of that happened. Mr. Pruett asked for the Committee's support.
Nicole Brown, a retired Air Force officer, spoke in opposition of H 206. She noted that the U.S. Army just increased its infantry corps training from 14 weeks to 32 weeks. She outlined the requirements for a student going through that training, from background checks and the attendant requirements, to the number of rounds and hours of marksmanship training that was required.

**DISCUSSION:** Senator Stennett inquired if it was Ms. Brown's point that one individual's right is not more important than public safety. Ms. Brown replied in the affirmative.

**TESTIMONY:** David Sasser, a former law enforcement officer, stated that he agreed with Chief Bones remarks. He noted that Idaho's Legislature is the only entity authorized to address the issues of weapons. He talked about the constitutional rights of citizens to keep and bear arms, provided some statistics regarding percentages of people who do not serve in the military, of young people who have taken the Fish and Game training, and some personal experiences. He asked the Committee to request some amendments to require training and a background check.

**DISCUSSION:** Senator Vick asked if Mr. Sasser had any statistics related to an increase in gun crimes where 18-year-olds have permitless carry. Mr. Sasser did not know of any such statistics.

**TESTIMONY:** Senator Stennett asked if Mr. Sasser has heard of anyone coming forward to say this bill is needed. Mr. Sasser was not aware of any public safety organization or public entity that supported, requested, or indicated in any way that this change is appropriate for cities.

**TESTIMONY:** Matthew Jensen, Vice Chairman of the District 17 Republican Committee, spoke in support of the bill.

Ilana Story, Chapter Leader, Moms Demand Action for Gun Sense in America, spoke in opposition to the bill. Ms. Story's testimony focused on the safety of families in Idaho's communities and that urban areas required more regulation of firearms than rural areas. She asked that, at the very least, the bill be amended to require some training but would prefer a no vote.

Diane Terhune read a letter of testimony from Kathy Dougherty, a psychologist who works with youth. Dr. Dougherty wrote in opposition to the bill.

Thad Butterworth, Meridian, ID, co-founder and co-owner of Watchman Training, Inc., stated that they are a company that focuses on self defense and firearms training including for 18-year-olds. He said they did not see any change in the number of participants with the passage of constitutional carry. Mr. Butterworth commented about the military aspect as well. Former military people have come to take their training and many of them were far below what was required to graduate from their classes. He also noted that when his son joined the military, he found it below the level he had been trained. In Mr. Butterworth's opinion, if this bill passes, there will be more 18-year-olds getting training because parents with kids within that age group will want them to be trained to use that firearm. He stated his belief that this bill should be heard by the full Senate.

Jill Watts spoke in support of H 206. Ms. Watts said that, as a woman, it is not "fashionable" to carry a gun openly. It is more appropriate for her to put a gun in her purse. Someone who may be vulnerable should be allowed to carry a gun in a way that suits them.

Nicholas Gage, District 11, retired law enforcement officer from the U. S. Army Military Police, spoke in support of this bill. Mr. Gage provided some background information of his military experience and the training that went with it. He stated that the question today is, is an 18-year-old an adult. Both the federal and state laws and constitutions clearly state they are, and they should be allowed to carry concealed within city limits.
DISCUSSION: Senator Winder gave a scenario of driving from Eagle to Kuna and how one would go from county to city limits several times during that trip. He asked Mr. Gage to address that issue. Mr. Gage focused on the confusion for both law enforcement and the 18 to 21 age group, and the problems that may cause. Idaho needs to conform and also have a better understanding of what constitutional carry is and what it is not; those in that age group are adults.

Senator Stennett commented on Mr. Gage's positions and training while in the military. Mr. Gage stated that any amount of training with firearms is beneficial.

TESTIMONY: Diana David is a retired insurance risk manager and a gun violence survivor; she spoke in opposition to this bill. Being from a military family and a risk manager, Ms. David said, from her perspective, you don't just hand a gun to someone. Not only do they need training, there is a need for a psychological and mental assessment. Ms. David told about her experience as a gun violence survivor. She stated she comes from a family of gun owners and is one herself, but does not think this is a good bill. It at least needs a training amendment.

Diane Shores read a statement from Brigadier General Richard Turner who wrote in opposition to H 206 (see attachment 9).

Klaus Hermann, the owner of American Firearms Academy in Boise stated he has students that come to him for training, especially for the enhanced concealed carry classes. Training is very important for an individual, especially if they carry concealed. He explained the differences between carrying concealed and carrying open, from how to get a gun away from clothing that is being worn, to keeping up the continuing practice and training needed; firearms training is a perishable skill. He also pointed out that if you have a gun, you must know how to care for it including cleaning, making sure it works well, and storage. Mr. Hermann discussed what happens when someone is under stress and is required to remember all the steps that must be taken when handling a gun. Mr. Hermann also agreed with Chief Bones.

DISCUSSION: Senator McCoy asked whether Mr. Hermann would encourage training or require training. Mr. Hermann said he would encourage training but it would be better if training was required, especially for the 18 to 21 age group. As a requirement, training would give that gun owner proficiency, precision, and practice in acting under stressful conditions, and general knowledge about the gun.

Senator Vick asked Mr. Hermann if he would be against permitless carry for anyone at any age. Mr. Hermann agreed that everyone should have training of some kind whether it is hunter training, going to a firing range, or any other kind of activity. He stated his belief that training is crucial especially if someone is walking amongst others with a concealed gun.

TESTIMONY: Derek Harper, from Blaine County and represents the Three Percent Group of Idaho stated that this bill is only simplifying law. It makes it so that a young person who comes into the city limits with a concealed gun is not breaking the law. Currently, if a young person is caught with a concealed gun, it is a felony. Training is occurring all the time, and 18-year-olds are being trained all the time.

DISCUSSION: Senator Stennett stated that currently, it is a federal law that you can't be within 1,000 feet of a school with a gun. This Legislature cannot change that. She asked why some training isn't helpful. Mr. Harper responded that training is absolutely helpful, they are just asking that it not be mandated.

TESTIMONY: Anne Woodhouse, Moms Demand Action, asked if there is a compelling need for this law and if it has a societal benefit. She said that in her opinion, neither of those things are true. Important stakeholders did not participate in writing the
CONCLUSION: Representative Zito said that Senator Winder pointed out the essence of what is trying to be accomplished in this bill. Young adults can already open carry within city limits and have been able to carry open or concealed anywhere else in the state since 2016, when the constitutional carry law took effect. She recounted that: 1.) no measurable issues support the idea that the 18 to 21 age group is less capable or more impulsive; and 2.) no statistics show crime rates have increased. All this bill does is bring consistency to the law across the state. Representative Zito listed those organizations that support this bill: Idaho Constitutional Sheriffs Association, the National Constitutional Sheriffs and Peace Officers Association, Gun Owners of America, Idaho Second Amendment Alliance, the Idaho Three Percent Group and several different militia groups. They also have a press release from the National Rifle Association in support of the bill, and the Idaho Sheriffs Association is neutral. Chairwoman Lodge asked about the training component. Representative Zito responded that her information and research shows an increase for people who are seeking training. She said she believes in training and spoke of a personal experience. She stated her belief that training should not be mandated. Those that care about the right to have firearms know they have a responsibility and the people of Idaho have proven that.

MOTION: Senator Vick moved to send H 206 to the floor with a do pass recommendation. Vice Chairman Harris seconded the motion.

DISCUSSION: Senator Vick stated his appreciation for the concerns that were brought by law enforcement. This bill extends a fundamental right of self defense to the 18 to 21 age group. Much of the debate today was whether or not that group should have the right to carry weapons; they already have that right and this bill doesn't address that. Senator Vick read from a letter of support from Brian Judy, Idaho State Director, National Rifle Association, who is in Anchorage, Alaska today (see attachment 10). In the third paragraph it says "House Bill 206 only applies to the subset of law-abiding individuals over the age of 18 who are Idaho residents; individuals who can carry a handgun concealed without a license in most of the state and can already carry a handgun openly without a license within city limits. HB 206 would merely allow these individuals to cover their handguns and carry discreetly within city limits." Senator Vick stated that this is a reasonable piece of legislation and asked for the Committee's support.

SUBSTITUTE MOTION: Senator Stennett made a substitute motion to send H 206 to the 14th Order of Business for possible amendment. Senator McCoy seconded the motion.

DISCUSSION: Senator Stennett voiced her concern that all the people who must try to enforce or navigate this bill are not here to testify. She listed the groups that would be affected by this bill: those in law enforcement, school systems, and city entities. She stated her concern about the lack of training for the people who carry guns. Senator Stennett asked for the bill to go to the amending order so the stakeholders can come together with some amending language and, at least, add a training component before this bill is considered.

Chairwoman Lodge agreed that training is important but there are young people out there who do not have families that will give them that opportunity. It is important to be aware of public safety and also that we have gun rights. It is important to work together to have both.

VOTE ON SUBSTITUTE MOTION: Motion to send H 206 to the 14th Order of Business for possible amendment failed by voice vote.
VOTE ON ORIGINAL MOTION: The motion to send H 206 to the floor with a do pass recommendation carried by voice vote. Senators Stennett and McCoy requested to be recorded as voting nay.

MINUTES APPROVAL: Postponed until the next meeting.

PAGE GRADUATION: Postponed until the next meeting.

ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 11:58 a.m.

________________________________________  _______________________________________
Senator Lodge                                Twyla Melton
Chair                                        Secretary
What’s in the 2018 Federal Farm Bill?

- The 2018 Farm Bill removes industrial hemp, defined as cannabis sativa, and all of its extracts (including cannabinoids), with not more than 0.3% THC concentration on a dry weight basis from the list of controlled substances.
  - The Drug Enforcement Agency (DEA) has no authority to interfere with the interstate transportation of hemp.

- The 2018 Farm Bill devolves power to the states to regulate hemp, provided that there is a “state plan” in place to monitor and regulate production of the crop.
  - Under section 10113 of the Farm Bill, state departments of agriculture must consult with the state’s governor and chief law enforcement officer to devise a plan that must be submitted to the Secretary of USDA. A state’s plan to license and regulate hemp can only commence once the Secretary of USDA approves that state’s plan. In states opting not to devise a hemp regulatory program, USDA will construct a regulatory program under which hemp cultivators in those states must apply for licenses and comply with a federally-run program. This system of shared regulatory programming is similar to options states had in other policy areas such as health insurance marketplaces under ACA, or workplace safety plans under OSHA—both of which had federally-run systems for states opting not to set up their own systems.

- The state must provide a plan to the United States Department of Agriculture (USDA) demonstrating the state has procedures in place that ensure the following:
  - A record of where hemp is produced in the state;
  - Procedures to ensure hemp produced in the state meets the legal definition of not more than 0.3% THC;
  - Procedures for disposing of materials with a THC concentration exceeding 0.3% THC; and
  - Procedures for handling violations of the 2018 Farm Bill and the proposed state plan.

- The 2018 Farm Bill makes industrial hemp eligible for federal crop insurance and other USDA programs.

- The 2018 Farm Bill does not address pesticide laws and regulations, however, the private sector should respond to passage by developing those products and applying for EPA approval.

What’s not in the 2018 Farm Bill?

- The 2018 Farm Bill maintains the Food and Drug Administration’s (FDA) regulatory authority over ingestible and topical products, meaning hemp growers and processors must have FDA approval to market products for human consumption or cosmetic use.

A new opportunity for Idaho growers

- Proposed legislation would legalize hemp production in alignment with 2018 Federal Farm Bill to provide new agriculture production opportunities for Idaho growers.

State Laws Related to Industrial Hemp

<table>
<thead>
<tr>
<th>Allows cultivation of hemp for commercial, research or pilot programs</th>
<th>Does not allow cultivation of hemp</th>
</tr>
</thead>
</table>


The Confusion

CANNABIS HAS TWO SPECIES

**SPECIES I - HEMP**
- Contains <0.3% THC
- Has all the beneficial properties of cannabis without the high

**SPECIES II - MARIJUANA**
- Contains >0.3% THC
- Contains cannabinoids except for THC, which means it has all the beneficial properties of cannabis without the high
TITLE 37
FOOD, DRUGS, AND OIL
CHAPTER 27
UNIFORM CONTROLLED SUBSTANCES
ARTICLE II

37-2702. AUTHORITY TO CONTROL. (a) The board shall administer the regulatory provisions of this act and may add substances to or delete or reschedule all substances enumerated in the schedules in section 37-2705, 37-2707, 37-2709, 37-2711, or 37-2713, Idaho Code, pursuant to the procedures of chapter 52, title 67, Idaho Code. In making a determination regarding a substance, the board shall consider the following:

(1) The actual or relative potential for abuse;
(2) The scientific evidence of its pharmacological effect, if known;
(3) The state of current scientific knowledge regarding the substance;
(4) The history and current pattern of abuse;
(5) The scope, duration, and significance of abuse;
(6) The risk to the public health;
(7) The potential of the substance to produce psychic or physiological dependence liability; and
(8) Whether the substance is an immediate precursor of a substance already controlled under this article.

(b) After considering the factors enumerated in subsection (a) of this section, the board shall make findings with respect thereto and issue a rule controlling the substance if it finds the substance has a potential for abuse.

(c) If the board designates a substance as an immediate precursor, substances which are precursors of the controlled precursor shall not be subject to control solely because they are precursors of the controlled precursor.

(d) If any substance is designated, rescheduled, or deleted as a controlled substance under federal law and notice thereof is given to the board, the board shall similarly control the substance under this act by promulgating a temporary rule or proposing a statutory amendment, or both, within thirty (30) days from publication in the federal register of a final order designating a substance as a controlled substance or rescheduling or deleting a substance, unless within that thirty (30) day period, the board objects to inclusion, rescheduling, or deletion. In that case, the board shall publish the reasons for objection and afford all interested parties an opportunity to be heard. At the conclusion of the hearing, the board shall publish its decision, which shall be final unless altered by statute. Upon publication of objection to inclusion, rescheduling, or
deletion under this act by the board, control under this act is stayed until the board publishes its decision.

(e) Authority to control under this section does not extend to distilled spirits, wine, malt beverages, or tobacco.

History:

How current is this law?

Search the Idaho Statutes and Constitution
Thanks to the 2018 farm bill, hemp-derived CBD is legal, hemp farmers can apply for crop insurance and more banks will be willing to work with hemp farmers and companies. According to New Frontier Data, hemp-derived CBD product sales will grow from $390 million in 2018 to $1.3 billion in four short years.

$795 Million U.S. Hemp Based Product Sales by Category

- 14% Food
- 18% Industrial Applications
- 2% Other Consumer Products
- 6% Supplements
- 24% CBD
- 23% Personal Care

Top Hemp Growing States

<table>
<thead>
<tr>
<th>State</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colorado</td>
<td>5,921</td>
<td>9,700</td>
</tr>
<tr>
<td>Oregon</td>
<td>500</td>
<td>3,469</td>
</tr>
<tr>
<td>Kentucky</td>
<td>2,526</td>
<td>3,100</td>
</tr>
<tr>
<td>North Dakota</td>
<td>70</td>
<td>3,020</td>
</tr>
<tr>
<td>New York</td>
<td>30</td>
<td>2,000</td>
</tr>
<tr>
<td>Minnesota</td>
<td>51</td>
<td>1,205</td>
</tr>
</tbody>
</table>

25,541 acres of hemp grown in 19 states in 2017
161% from 9,770 acres in 2016

SEEDS
- Hemp seeds can be used both raw and for the oils they produce.
- Oil: cooking oil, dietary supplement, personal care products, fuel, paint
- Seed cake: flour, beer, animal feed
- Hemp nut: milk/dairy, baked goods, granola, protein powder

LEAVES/FLOWERS
- Animal bedding, compost, medicine/recreation

STALK
- FIBER: the outer bast fibers of the stalk usually made into long strands.
- Apparel, diapers, fabrics, handbags, twine, rope, nets, paper

HURD:
- leftover pieces of stem and stalk made into small chunks
- Paper, organic compost, animal bedding, fiberboard, insulation

ROOTS
- Medicine, organic compost, improves soil health, reduces water pollution, benefits crop rotation

HEMP YIELDS
- 3 to 8 dry tons of fiber per acre

4 TIMES what an average forest can yield
The next generation of D.I.Y. laboratory-grade potency measurement for cannabis products: instant, accurate and cost-effective.
A SIMPLIFIED SOLUTION for real-time potency profiling

Sage Analytics offers cannabis potency measurement systems that revolutionize the current state of potency profiling of Total THC, THC-A, Total CBD, and CBD-A in both flowers and concentrates. These next-generation potency profilers employ optical spectroscopy (the science of light and how it interacts with matter), to provide instantaneous, real-time, accurate measurements, along with field portability, convenience and affordability to the entire cannabis ecosystem.

- **FAST**
  Measurements and results in seconds for real-time potency profiling.
- **ACURATE**
  Direct, non-intrusive, laboratory-grade analysis at the molecular level. Greater awareness enhances consumer safety.
- **AFFORDABLE**
  Significantly increases throughput, reduces overhead and costs a fraction per test versus conventional methods.
- **ECO-FRIENDLY**
  No toxic solvents or hazardous waste generation for a greener industry.
- **EASY-TO-USE**
  Simple system operation and user interface lowers the skill requirement for testing personnel.
- **SCIENCE**
  Spectroscopy-based technology for real-time, accurate, repeatable, reliable results.

A Changing Industry

The cannabis industry is changing rapidly. More than half of all states are getting closer to legalizing marijuana for adult use, while half of all states have already legalized use of high CBD strains for medical purposes.

With this widespread legalization and market growth, the variations of potencies in cannabis strains have increased tremendously. Consumers are increasingly aware of the different properties and effects of THC and CBD, and are seeking more exact information about the products they purchase.

At the same time, the cannabis industry is faced with growing industry regulations and requirements of manufacturers to appropriately package and label products with exact potency measurements and ensure that all products are tested with high accuracy and reliability and that consumer safety and awareness is a top priority. Sage Analytics has developed a new potency profiling solution designed specifically to meet this challenge.

Current Testing Methods

The current analytical methods employed across the supply chain for evaluating THC and CBD potency cannot provide cost-effective, real-time data. This lack of inexpensive, yet accurate, repeatable and instant potency results makes it exceedingly challenging to market cannabis strains and products with reliable potency labeling.

The current industry standards for testing, Gas Chromatography (GC) and High Performance Liquid Chromatography (HPLC), cost the entire cannabis supply chain unnecessary time, money and resources. The third party testing methods can take days for sample transport, handling and preparation, and data collection, and require highly skilled and properly trained lab personnel to perform the analysis.

In addition to frustrating delays and mounting costs, the samples are extracted using toxic solvents like methanol and chloroform to obtain the cannabinoids, and are then combusted or mixed with other solutions that generate considerable quantities of waste that must be properly remediated. In addition to their ecologically unfriendly nature, these experimental characteristics and limitations result in higher overall costs and inconvenience.
A stylish, desktop unit with an integrated touchscreen makes the Beacon perfect for anyone with limited space. Lightweight, portable and user-friendly, the Beacon offers real-time, laboratory grade potency data available to anyone within the cannabis ecosystem in a matter of seconds, at a fraction of the cost.

**Beacon**

<table>
<thead>
<tr>
<th>Cannabinoid Measurements</th>
<th>Total potential THC, THC-A, Delta 9 THC Total potential CBD and CBD-A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dimensions (L x W x H)</td>
<td>220 x 160 x 210 mm</td>
</tr>
<tr>
<td>Weight (lbs)</td>
<td>4.2</td>
</tr>
<tr>
<td>Power Consumption (W)</td>
<td>15</td>
</tr>
<tr>
<td>Input Voltage (VDC)</td>
<td>12</td>
</tr>
<tr>
<td>Wavelength Ranges</td>
<td>NIR (1550–1985nm)</td>
</tr>
<tr>
<td>Lamp Type</td>
<td>Tungsten Halogen</td>
</tr>
<tr>
<td>Lamp Life (Hrs)</td>
<td>2000</td>
</tr>
<tr>
<td>User Interface</td>
<td>On-Board Touchscreen</td>
</tr>
<tr>
<td>Communications</td>
<td>Ethernet, WiFi, USB</td>
</tr>
<tr>
<td>Construction Materials</td>
<td>Powdercoated Aluminum Window is sapphire</td>
</tr>
</tbody>
</table>

An easy-to-use, portable benchtop device made specifically for commercial environments, such as labs, extract processors and grow houses. The rugged housing was designed to be impact resistant and power washed for easy clean-up.

**Luminary™ Profiler**

<table>
<thead>
<tr>
<th>Cannabinoid Measurements</th>
<th>Total potential THC, THC-A, Delta 9 THC Total potential CBD and CBD-A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dimensions (L x W x H)</td>
<td>230 x 340 x 160 mm</td>
</tr>
<tr>
<td>Weight (lbs)</td>
<td>11.5</td>
</tr>
<tr>
<td>Power Consumption (W)</td>
<td>15</td>
</tr>
<tr>
<td>Input Voltage (VDC)</td>
<td>12</td>
</tr>
<tr>
<td>Wavelength Ranges</td>
<td>NIR (1550–1985nm)</td>
</tr>
<tr>
<td>Lamp Type</td>
<td>Tungsten Halogen</td>
</tr>
<tr>
<td>Lamp Life (Hrs)</td>
<td>2000</td>
</tr>
<tr>
<td>User Interface</td>
<td>iPad Mini</td>
</tr>
<tr>
<td>Communications</td>
<td>Ethernet, WiFi, USB</td>
</tr>
<tr>
<td>Construction Materials</td>
<td>Top/Bottom Plates-Anodized Aluminum Center Section-Cast Urethane Window is Sapphire</td>
</tr>
</tbody>
</table>
The Science

Unlike traditional systems, the Beacon and Luminary Profiler use spectroscopy—the science of how light interacts with matter—to instantly measure the potency of cannabis products at the molecular level.

The use of light as an analytical tool affords a number of distinct advantages over alternative methods, such as GC or HPLC. Because light is non-intrusive to the process, spectroscopy-based measurements require no toxic chemicals for sample prep or analysis, leaving the sample intact for future use.

Features & Benefits of the Beacon and Luminary Profiler

- Instant, accurate, and affordable measurements of Total THC, THC-A, Total CBD, and CBD-A
- Gather, process, and interpret data in seconds
- Quickly & accurately measure potency of flowers and concentrates
- Portable, easy-to-use touchscreen interface that doesn’t require a trained technician, lowering overall costs
- Simply uses light; no need to heat, burn, or destroy samples
- A greener method for the industry; no toxic solvents used or hazardous waste generated
- Compact, lightweight, desktop design that requires little space
- Built in USB/Ethernet port for remote software updates
- Ability to print out a CannaMetric™ Profile label with potency information for products intended for consumption or resale
- Disposable sample holders for concentrates for easy clean up between product testing
- Ability to record and archive data for better quality control

The Beacon and Luminary Profiler are built upon advancements in spectroscopic technology that have been used at 20 of the top 25 pharmaceutical and biotech manufacturers. Spectroscopy based measurements save time, money, and resources, limiting potential variations that can arise from extensive sample handling and processing in chromatography methods. Ultimately, this means fast, repeatable, and accurate data collection every time.

Specifications for the application of Sage Analytics products for the analysis of cannabis potency

- Spectral Range: Luminary Profiler and Beacon utilize the 1550-1985 nanometer window of the near-infrared fraction of the electromagnetic spectrum. This range was experimentally determined to be the optimal for the analysis of cannabinoids using analytical THC and CBD standards. Additionally, the measurement of THC-A vs. THC, and CBD-A vs. CBD standards was evaluated to aid in determining unique peaks to acidic or neutral cannabinoids.
- Number of Samples used to develop Data Model: Flower=599 / Concentrates=557

Example of NIR Spectrum

![Image of NIR Spectrum]

The green shaded area depicts the main range for cannabinoids in NIR.

Product Labeling

The CannaMetric™ Profile displays results on the Beacon and Luminary Profiler’s touchscreen interface and can be configured to print labels for application onto cannabis containers. The CannaMetric™ Profile displays and prints the weight percentages of Total THC, THC-A, Total CBD, and CBD-A contained in the tested sample.

The CannaMetric™ Profile has been designed to provide accurate, affordable, and real-time potency information to the entire cannabis ecosystem. Our unique system makes it possible for everyone, including growers, dispensary operators, extract processors, and labs to quickly and easily verify the potency of most cannabis products. Currently, customers can not get instant feedback about the potency of product they are considering, to assist them in their purchasing decisions. Much like knowing alcohol proof or the correct dosage of prescription medication, the CannaMetric™ Profile now gives cannabis customers the same type of “dosage” information.
ACCURACY MATTERS

Trace Analytics knows its success is directly tied to the success of each and every client. Our dedicated laboratory staff is focused on partnering with clients to ensure the best possible outcomes. From early product assessment, research and development or final I-502 testing, Trace Analytics delivers. Trace Analytics understands that proper and accurate testing are critical to ensure continual improvement for each of our clients.

OUR SERVICES

• Aflatoxin / Mycotoxin Screening
• 502 compulsory testing for all types of Cannabis products
• Edibles work up, process evaluation and dose distribution guidance
• Experienced grow consultation, evaluation and related services
• Extensive Terpene, Residual Solvents, and Cannabinoid profiles
• Industrial Hemp CBD product testing
Home

FAQS

Sample Submission

Our Team

Contact Us

Trace Analytics
908 N Howard Street, Suite 101
Spokane, WA 99201

Phone
1-509-284-7522 (tel:509.284.7522)

Email
info@traceanalytics.com (mailto:info@traceanalytics.com)

Notice: All test results are the sole property of the entity ordering / paying for them & can
**HEMP LICENSE APPLICATION**  
For year ending April 30, 2020

Fingerprints of the applicant and all corporate officers must be submitted to the department by a law enforcement agency.

This Hemp License application, appropriate fees and fingerprints must be received by May 1, 2019 to be considered.

**APPLICANT INFORMATION**

<table>
<thead>
<tr>
<th>Business Name</th>
<th>Were you licensed in 2018?</th>
<th>Business ID Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Last Name</td>
<td>First Name</td>
<td>MI</td>
</tr>
<tr>
<td>Mailing Address</td>
<td>Phone</td>
<td>Cell Phone</td>
</tr>
<tr>
<td>City</td>
<td>State</td>
<td>ZIP</td>
</tr>
</tbody>
</table>

**FIELD INFORMATION:** Detailed aerial photos (e.g. Google Maps, Montana Cadastrel) showing each field location relevant to the nearest municipality and navigable roads must be submitted with the application. Purchases of hemp (defined as a commodity in Montana) directly from Montana producers in an amount that exceeds $30,000 annually, will require a Montana Commodity Dealer’s license.

<table>
<thead>
<tr>
<th>Field 1</th>
<th>Field 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Township: ____ Range: ____ Section: ____ ¼ Section: ____</td>
<td>Township: ____ Range: ____ Section: ____ ¼ Section: ____</td>
</tr>
<tr>
<td>Field Center Lat/Long:</td>
<td>Field Center Lat/Long:</td>
</tr>
<tr>
<td>Field Address:</td>
<td>Field Address:</td>
</tr>
<tr>
<td>Land Owner or Agent Signature:</td>
<td>Land Owner or Agent Signature:</td>
</tr>
<tr>
<td>Land Owner Name (print):</td>
<td>Land Owner Name (print):</td>
</tr>
</tbody>
</table>

**Number of Individual Fields to Plant:**

**Total Acres:**

**Intended Use for Crops (check all that apply):**

- Fiber
- Food/Beverage
- Variety Trials/Research
- Cannabinoid Oils
- Phyto Remediation
- Cosmetics/Beauty/Health
- Animal Bedding
- Seed Stock
- Seed Oil
- Biofuel
- Textiles
- Other

**SEED VARIETIES AND SOURCES**

Hemp varieties must be approved by the department and purchased from licensed dealers.

<table>
<thead>
<tr>
<th>Variety</th>
<th>Licensed Seed Dealer</th>
<th>Pounds</th>
</tr>
</thead>
</table>

**LICENSES AND FEES**

**MONTANA STATE HEMP PROGRAM PARTICIPANT**

- $450

**ATTESTATION STATEMENT**

I hereby certify that the information contained in and submitted with this application is true and correct. Persons who violate federal laws regarding hemp may be subject to federal prosecution. I agree to comply with Section 80-18-101 through 80-18-111, MCA and ARM 4.12.3104 and 4.19.101-107, including consent to entrance of above property by the department for the inspection of hemp fields.

<table>
<thead>
<tr>
<th>Name:</th>
<th>Title:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Signature:</td>
<td>Date:</td>
</tr>
</tbody>
</table>

**MDA OFFICE USE ONLY**

| Date Received: | Amount Received: | License Number: |
**Instructions**

**Applicant Information**: Please print clearly or type all required information. If the applicant is a business, please provide the Business License Number on file with the Montana Secretary of State's Office. First-time applicants, including all corporate officers, must be fingerprinted at a law enforcement agency. The law enforcement agency, not the applicant, must send the fingerprint sheet to the Department.

**Criminal Background Check**: Hemp program participation requires no prior convictions of felony drug charges in the previous 10 years.

**Field Information**: Please provide the exact location of each field or greenhouse where the industrial hemp will be grown. Attach additional pages if more than two locations are being planted. The legal landowner of the property or their agent must sign the application to allow participation in the program. Rented or leased fields must have the actual land owner signature for each field.

**Seed Varieties and Sources**: The applicant must obtain only approved seed, either certified to the Association of Official Seed Certifying Agencies (AOSCA) or the Organization for Economic Cooperation and Development (OECD) standard or another standard recognized by the department. The applicant can purchase approved seed directly from any licensed seed dealer. Licensed seed dealers can be found at [https://mtplants.mt.gov/Licenses/External/ExternalLicenseSearch.aspx](https://mtplants.mt.gov/Licenses/External/ExternalLicenseSearch.aspx). Persons distributing hemp seeds for planting must comply with the Montana Agricultural Seed and Patented Plant Material Act, excluding exemptions listed in Section 80-5-104(4), MCA.

**Intended Use for Crops**: Please check all boxes that describe the planned uses for your hemp crop. The Montana State Hemp Program does not guarantee that hemp products can be sold.

**License Fees**: Please enclose a check for the appropriate program fees.

**Contact Information and Signature**: The applicant must completely fill out and sign the Montana State Hemp Program Application.

**Agricultural Agronomic Report**: At the end of the licensure year, participants must submit an agricultural/agronomic report regarding their experience with their hemp crop. The report shall include:

- The approximate yield in pounds per acre.
- Any sale or distribution of any industrial hemp grown.
- Name and address of the person receiving the industrial hemp.

**Mail To:**

Montana Department of Agriculture - CSB
Industrial Hemp Program
302 N. Roberts St.
PO Box 200201
Helena, MT 59620-0201

Additional information and forms, including a FAQ addressing many questions associated with new regulations related to the 2018 Farm Bill can be found at [https://agr.mt.gov/Industrial-Hemp](https://agr.mt.gov/Industrial-Hemp). For additional assistance, please contact Andy Gray at (406) 444-0512 or by email at hempinfo@mt.gov.
06/05/2017  Field Prep. 60" rows
08/03/2017  Mother Plants

18" potted plants, transplanted 06/12/2017
08/04/2017  60" rows, 60" between plants

1600 plants per ACRE

4" transplant on 06/12/2017, 2 foot tall 08/04/2017

Just starting to Flower
mature plants, well into Flower
2018 seed crop, grown in greenhouse

Seed grown in greenhouses to insure seed purity
20/8 SEEDED CRAP, ready for harvest.
2018 SEED CROP, AutoFlower plants
**INDUSTRIAL HEMP TRANSPORTATION MANIFEST**

<table>
<thead>
<tr>
<th><strong>Originating entity:</strong></th>
<th>Unique Botanicals</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ODA License No.:</strong></td>
<td>AG-R1044728IHG</td>
</tr>
<tr>
<td><strong>Expiration Date:</strong></td>
<td>12/31/2017</td>
</tr>
</tbody>
</table>
| **Address of Originating Entity:** | 2275 Arthur Court  
                            | Eugene, Oregon 97405 |
| **Contact Name & Phone No.** | Trey Willison    
                            | (541) 912-6647     |

| **Business Name of Receiver:** | Evergreen State Holdings, DBA: Guud Manufacturing |
| **ODA License No.:**           | AG-R1046646IHH    |
| **Address of Receiver:**       | 212 North Street  
                            | Grass Valley, Oregon 97029 |
| **Contact Name & Phone No.**   | Jack Feldman      
                            | (415) 310-0973      |

| **Date and Approximate Time of Departure:** |           |
| **Date and Approximate Time of Arrival:**  |           |

<table>
<thead>
<tr>
<th><strong>PRODUCT NAME:</strong></th>
<th><strong>WEIGHT/QUANTITY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Industrial Hemp - Raw Plant Material</td>
<td></td>
</tr>
</tbody>
</table>

| **Name of Person Receiving Product:** |     |
| **Signature:** | **Date:** |

| **Name of Person Transporting:** | Greg Willison |
| **Signature:** | **Date:**     |
| **State Driver License No.:**   | W118308C      |
| **Vehicle Make, Model:**         | Dodge 3500    |
| **License Plate No.:**           | 1P5565T       |
From: Dick Turner <dick.turner@live.com>
Sent: Sunday, March 24, 2019 2:50 PM
To: palodge@senate.idaho.gov
Subject: H206

[ From Brigadier General Richard Turner, retired]

Dear Chairman/Senator Lodge –

I am writing to you today in opposition to H206. As a native Idahoan and growing up in a family of hunters I know the risks associated with concealed weapons. Looking back as an 18 year old I don’t feel I had the cognitive judgement to carry a concealed weapon.

I spent almost 42 years in the military (Idaho National Guard) and qualified on weapons ever year, as were my brothers in arms. At that time, we were not allowed to carry weapons on Gowen Field (I believe this has changed). We felt there was no valid reason for anyone other than designated security police persons to possess a firearm on base. If fact, we felt it was a danger to our members to have firearms on base if they had to respond to an emergency situation involving firearms. Who is the person that is armed? Are they the shooter or a person protecting themselves? This puts or security police in a who’s who decision and therefore both are at risk.

Many 18 year old’s are still in high school and our police/security folks could face the same dilemma at a school. The state must see 21 as the age of responsibility because most professional licenses, ability to consume alcohol, to run for office, haul hazardous materials, etc.,

Why ask for trouble if it isn’t necessary.

Thanks for your time and consideration

Richard Turner, Brigadier General (Ret)
TO: Members of the Senate State Affairs Committee  
FROM: Brian Judy, NRA-ILA Idaho State Director  
DATE: March 25, 2019  
RE: House Bill 206 - SUPPORT

On behalf of the Idaho members of the National Rifle Association, let me take this opportunity to express support for House Bill 206. HB 206 would make it legal for a law-abiding resident of Idaho who is over the age of 18 to carry a handgun concealed without a license within city limits. Under existing law, such an individual must be over the age of 21 to carry a handgun concealed without a license within city limits.

Despite all the noise from opponents of this legislation, House Bill 206 is a very modest proposal. Currently, any law-abiding individual over the age of 18, regardless of residency, may lawfully carry a handgun concealed without a license outside city limits. Further, any law-abiding individual over the age of 18, regardless of residency, may lawfully carry a handgun in plain view without a license inside city limits.

Again, House Bill 206 only applies to the subset of law-abiding individuals over the age of 18 who are Idaho residents; individuals who can already carry a handgun concealed without a license in most of the state and can already carry a handgun openly without a license within city limits. HB 206 would merely allow these individuals to cover their handguns and carry discreetly within city limits.

Isn’t it ironic? Many of those who complain about their fellow citizens who choose to carry a handgun in plain view, because they feel offended and intimidated, are now opposing this proposal that would likely lead to fewer handguns being carried in plain view.

Self-defense is a fundamental right. Law-abiding Idaho adults over the age of 18 should be free to choose the method of carrying a handgun for self-defense that best suits their particular circumstances.

Please support House Bill 206!

Senator Steve Vick  HB 206  3/25/2019
## AGENDA
### SENATE STATE AFFAIRS COMMITTEE
**8:00 A.M.**  
Room WW55  
Wednesday, March 27, 2019

<table>
<thead>
<tr>
<th>SUBJECT</th>
<th>DESCRIPTION</th>
<th>PRESENTER</th>
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</thead>
<tbody>
<tr>
<td>RS27160</td>
<td><strong>A CONCURRENT RESOLUTION</strong> authorizing the Legislative Council to appoint a committee to study the effects of Medicaid Eligibility Expansion on existing programs.</td>
<td>Senator Hill</td>
</tr>
<tr>
<td><strong>MINUTES APPROVAL:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The minutes of February 6, 2019</td>
<td>Senator Hill and Senator Vick</td>
</tr>
<tr>
<td></td>
<td>The minutes of February 15, 2019</td>
<td>Senator Winder and Senator Souza</td>
</tr>
<tr>
<td></td>
<td>The minutes of March 1, 2019</td>
<td>Senator Hill and Senator Anthon</td>
</tr>
<tr>
<td><strong>PAGE GRADUATION:</strong></td>
<td>Graduation of Katie Angell who served as page for the 2nd half of the 1st Regular Session of the 64th Idaho Legislature</td>
<td>Chairwoman Lodge</td>
</tr>
</tbody>
</table>

*If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.*

### COMMITTEE MEMBERS
- Chairman Lodge
- Vice Chairman Harris
- Sen Hill
- Sen Winder
- Sen Vick
- Sen Anthon
- Sen Souza
- Sen Stennett
- Sen Buckner-Webb

### COMMITTEE SECRETARY
- Twyla Melton
- Room: WW42
- Phone: 332-1326
- email: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Wednesday, March 27, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Souza, Stennett, and McCoy(Buckner-Webb)
ABSENT/EXCUSED: Senator Anthon
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 to order at 8:04 a.m.

RS 27160 A CONCURRENT RESOLUTION authorizing the Legislative Council to appoint a committee to study the effects of Medicaid Eligibility Expansion on existing programs.

Senator Hill explained that this bill is coming forward because of savings that may come from the County Indigent Fund; the counties should help to pay for the cost of medicaid expansion. Representative Fred Wood has done a great deal of work to determine a fair and equitable way to assess the counties, collection processes, and other actions relevant to this project. There is a huge disparity among the counties relative to what they have paid out through the Indigent Fund in the past. The Idaho Association of Counties also has some ideas. It is late in the session and unknown as to what will happen with the outstanding legislation related to medicaid expansion. The Speaker of the House and Representative Wood, along with others, have agreed it would be best to put together an interim committee to study this issue. The Statement of Purpose states the committee would determine what savings, if any, would be realized by the counties through the Indigent Program, determine different and equitable ways to assess payments from the counties, and ascertain the best way to collect those payments. This committee would look at various options, report back to the Legislature and make recommendations next session.

Senator Stennett asked Senator Hill if counties weren't already required to fund all their public defense through Indigent Funds. Senator Hill responded no, although they can use Indigent Funds for those defense costs if needed. Senator Stennett asked for more detailed information on what Representative Wood has proposed. Senator Hill stated he has not pursued in depth, how Representative Wood made his various calculations. It is Senator Hill's belief that Representative Wood has estimated the number of medicaid eligible people in each county. Currently, the counties have not been consistent in handling the Indigent Fund funding. One of the purposes of the interim committee would be to look at all the options available. It is unknown what the end result will be. It would not be appropriate to put a bill forward with the limited knowledge that is available.

Senator Winder responded to Senator Stennett's question regarding the counties paying all the public defense costs. The Public Defense Commission (PDC) has been giving out grants from general funds to the counties. This year the
PDC gave the counties about double the previous funding and provided ways to better educate public defenders. The total amounted to approximately $13 million this year.

**MOTION:** Vice Chairman Harris moved to send RS 27160 to print. Senator Souza seconded the motion. The motion carried by **voice vote.**

**MINUTES APPROVAL:** Senator Hill moved to approve the minutes of February 6, 2019. Senator Vick seconded the motion. The motion carried by **voice vote.**

Senator Winder moved to approve the minutes of February 15, 2019. Senator Souza seconded the motion. The motion carried by **voice vote.**

Senator Hill moved to approve the minutes of March 1, 2019. Senator Vick seconded the motion. The motion carried by **voice vote.**

Chairwoman Lodge presented Twyla Melton with a gift of appreciation from her and the Committee for her work during the session.

**PAGE GRADUATION:** Graduation of Ms. Angell Angell who served as page for the 2nd half of the 1st Regular Session of the 65th Idaho Legislature.

Chairwoman Lodge called Ms. Angell forward to present her with a letter of recommendation signed by each member of the Committee. Chairwoman Lodge said she will be getting a letter of recommendation to Ms. Angell as well. Ms. Angell was presented with a box made from some of the trees that have been cut down around the capitol and the covers of former code books. The gift was made by Max Black, a former member of the House of Representatives. Chairwoman Lodge also included a keepsake hidden within the box. She asked Ms. Angell to tell the Committee what she has learned here at the Capitol.

Ms. Angell stated that she has learned a lot, especially about the process. She observed the dedication and hard work it takes for everyone to work and get along together. She had not realized how much synergy would be exhibited by everyone. Even when there is a difference in opinions, they put that behind them, worked together, and encouraged one another. Chairwoman Lodge ask what Ms. Angell's plans are for the future. Ms. Angell said she will be starting college on April 24, 2019 at BYU Idaho for a degree in social work. Then she plans to get her certification to be a counselor.

Senator Souza thanked Ms. Angell for being here and helping the Committee. She asked if there had been any surprises. Ms. Angell answered that the biggest surprise was how different everyone's perspective is. She saw the legislators come into situations with an open mind and willingness to listen to every opinion and hours of testimony.

Chairwoman Lodge encouraged Ms. Angell to always remember her time here and to be sure and add this experience on her resume.

Chairwoman Lodge stated that this may be the last meeting and she thanked the Committee for their patience. She stated her appreciation for their activity on the Committee.

Senator Hill expressed the Committee's appreciation to Chairwoman Lodge.

**ADJOURNED:** There being no further business, Chairwoman Lodge adjourned the meeting at 8:18 a.m. stating any further meetings would be at the call of the Chair.

___________________________  __________________________
Senior Lodge, Chair                Twyla Melton, Secretary
AGENDA
SENATE STATE AFFAIRS COMMITTEE
8:00 A.M.
Room WW55
Tuesday, April 02, 2019

NOTE: CHANGE OF DAY FROM THE NORMAL MONDAY TO TUESDAY

<table>
<thead>
<tr>
<th>SUBJECT</th>
<th>DESCRIPTION</th>
<th>PRESENTER</th>
</tr>
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<tbody>
<tr>
<td>H 296</td>
<td>RELATING TO INITIATIVES to revise the time and number of legislative districts in which to gather signatures. Testimony will be limited to 1 minute. Please leave a written copy.</td>
<td>Senator Grow</td>
</tr>
<tr>
<td>MINUTES</td>
<td>Minutes of February 8, 2019</td>
<td>Senator Winder and</td>
</tr>
<tr>
<td>APPROVAL</td>
<td></td>
<td>Senator Vick</td>
</tr>
<tr>
<td></td>
<td>Minutes of March 4, 2019</td>
<td>Senator Harris and</td>
</tr>
<tr>
<td></td>
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<td>Senator Souza</td>
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<tr>
<td></td>
<td>Minutes of March 18, 2019</td>
<td>Senator Hill and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Senator Vick</td>
</tr>
</tbody>
</table>

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS
Chairman Lodge
Vice Chairman Harris
Sen Hill
Sen Winder
Sen Vick

COMMITTEE SECRETARY
Twyla Melton
Room: WW42
Phone: 332-1326
e-mail: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Tuesday, April 02, 2019
TIME: 8:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Vice Chairman Harris, Senators Hill, Winder, Vick, Anthon, Souza, Stennett, and McCoy(Buckner-Webb)
ABSENT/ EXCUSED: None
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 8:04 a.m.

Chairwoman Lodge moved the Minutes approvals to the top of the agenda.

MINUTES APPROVAL: Senator Winder moved to approve the Minutes of February 8th, 2019. Senator Vick seconded the motion. The motion carried by voice vote.

Vice Chairman Harris moved to approve the Minutes of March 4th, 2019. Senator Souza seconded the motion. The motion carried by voice vote.

Senator Hill moved to approve the Minutes of March 18th, 2019. Senator Vick seconded the motion. The motion carried by voice vote.

H 296 RELATING TO INITIATIVES to revise the time and number of legislative districts in which to gather signatures. Testimony will be limited to 1 minute. Please have written copy.

Senator Grow presented H 296 as a trailer bill to S 1159. Senator Grow stated the first section changes the language from 180 days to 270 days. The second section addressed in the bill changes the language from 32 legislative districts to two-thirds of the legislative districts.

DISCUSSION Senator Stennett asked who was at the table when H 296 was created, why the House and Senate thought the new numbers are workable compared to S 1159 and why there wasn’t consideration for changing registered voters to electors. Senator Grow responded that the drafting of the bill is confidential and they felt that extending the time from 180 days to 270 days was more workable. Senator Grow stated they considered all of those factors and decided that the 1933 standards were the best.

TESTIMONY The following participants spoke against H 296:

- Colin Nash, representing himself (attachment 1).
- Zach Reeder, representing himself.
- Rialin Flores, Program Director of Conservation Voters of Idaho.
- Kari Overall, Idaho Education Association.
- Brenda Foster, representing herself.
• Gary Moncrief, Professor of Political Science, Boise State University.
• John Segar, retired fireman.
• Roberta DaMico, representing herself.
• Ritchie Eppink, Legal Director of the ACLU.
• Kathy Griesmeyer, Policy Director of the American Civil Liberties Union (ACLU).
• Sam Sandmire, representing herself.
• Tracy Olsen, representing herself.
• Ashley Prince, representing herself.
• Jayson Taylor, representing himself.
• Jeremy Redman, representing himself.
• Stephanie Hansen, representing herself.
• Jordan Morales, representing himself.
• Jocelyn Plass, representing herself.
• Jason Hudson, legal counsel for AFL-CIO.
• Dianne Jensen, representing herself.
• Cindy Mueller, representing herself.
• Catherine Carmine, representing herself.
• Rebecca Schroeder, Reclaim Idaho.
• Ken Harris, representing himself.

The points they made were
1. **H 296** is unconstitutional.
2. To prevent out-of-state interest groups ballot initiatives.
3. To prevent our state from emulating Wyoming’s ballot initiative model.
4. **H 296** does not empower local voters, but takes power away from them.
5. Grassroots opposition to the bill via the thousands of calls and e-mails made to the Governor’s office.

Russ Hendricks, Idaho Farm Bureau, spoke against **H 296** because of their support for **S 1159**. (attachment 2 for all written notes from those who testified)

**DISCUSSION:**

**Senator Stennett** asked Collin Nash if Wyoming has a fiscal analysis component to their initiative process, and if he believed there will be a legal challenge to this bill if it gets passed. **Mr. Nash** responded that there were no such requirements, and Wyoming hasn’t changed their initiative standards since 1988. **Mr. Nash** argued that Wyoming’s standard is unworkable and unreasonable, and it wouldn’t stand legal muster.

**Senator Winder** asked Mr. Nash to state who he represented and his background. **Mr. Nash** stated he was a third-year law student at Concordia.

**Senator Souza** asked if the Wyoming standards have been challenged. **Mr. Nash** stated that wasn’t part of his analysis, because Idaho standards are specific to Idaho case law.

**Senator Winder** asked Rialin Flores if she knew the ratio of urban to rural voters. **Ms. Flores** stated that she did not know the number, but would provide all necessary information to the Committee.
**Senator Winder** asked Kari Overall if she had done a comparison to the Luna Laws and the Governor's Taskforce on Education. **Ms. Overall** stated that she did not, but she could provide that information to the Committee.

**Chairwoman Lodge** asked when Ms. Overall started volunteering. **Ms. Overall** stated her first signature gathering was in December of 2017, and she worked through October of 2018.

**Chairwoman Lodge** asked if Professor Moncrief knew of any initiatives brought in Wyoming. **Professor Moncrief** responded that only one initiative has made it on the ballot since 1988.

**Senator Winder** questioned Professor Moncrief about his concerns for population changes in state districts, and if they took those concerns to the extreme, there would only be elections every ten years. **Professor Moncrief** stated the only point he was making was that the emergency clause in the bill makes that disparity much worse.

**Senator Stennett** presented a scenario to Professor Moncrief where four districts can effectively veto any referendum. **Professor Moncrief** noted that scenario isn't present in **H 296**, however, the registered voter standard is still problematic.

**Senator Winder** asked Kathy Griesmeyer if you take her and Professor Moncrief's points to their logical conclusion, how do you not require elections every 10 years. **Ms. Griesmeyer** stated when you have a geographic distribution requirement and a varied number of registered electors, there are legal concerns to the 14th Amendment's Equal Protection Clause as it pertains to the legal concept of, "One Person, One Vote."

**Senator Hill** asked Ms. Griesmeyer if the ACLU prefers **H 296** over **S 1159**. **Ms. Griesmeyer** stated that both bills have constitutional concerns and they object to both bills, they do not believe **H 296** alleviates the concerns from **S 1159**.

**Senator Stennett** asked Ritchie Eppink if it was proper for the Attorney General's office to use the Dredge case as an example. **Mr. Eppink** responded that the Dredge case provides helpful clues in what the Idaho State Supreme Court would analyze, and he believes the existing requirements as is are unconstitutional, and **S 1159** and **H 296** are even more unconstitutional.

**Senator Winder** asked Mr. Eppink the same question about the disproportionality of districts that he asked of Professor Moncrief and Ms. Griesmeyer. **Mr. Eppink** responded that his question addresses an important point that gets glossed over, and that is "One Person, One Vote" and the fact that the courts tolerate disproportionate districts between censuses. **Mr. Eppink** concluded they are talking about the ballot access, and not the ballot box and when the legislature imposes requirements on the initiative process it limits the ability of the people of the state of Idaho to actually vote on something in the first place.

**Senator Vick** asked why the existing law hasn't been challenged yet if it is unconstitutional. **Mr. Eppink** responded that the legislature has kept them busy with other unconstitutional laws, and they have had to prioritize their cases.

**Senator Souza** asked Tracy Olsen if she understood that a no vote on **H 296** would lead to **S 1159** being the law, and she asked why shouldn't the state change its initiative process with the advancements in technology. **Ms. Olsen** stated technology doesn't change the fact they have to register door to door, nor does it change the amount of people needed to get an initiative passed. **Senator Souza** clarified the rationale for **H 296** and stated that both Propositions 1 and 2 got enough signatures before the deadline for both initiatives to be on the ballot. **Senator Souza** further stated **H 296** is needed to combat out-of-state tech firms
specializing in voter initiatives where they do not always "bring forth the agenda the people in the state really want." Ms. Olsen asked the Committee if anyone had spent time working on an initiative in the state and challenged members of the Committee about the out-of-state money that they may take to get re-elected.

Chairwoman Lodge commented that she took part in the recent Proposition 1 initiative, and stated that it's important for ballot initiatives to be subjected to the same financial obligations that elected officials are subjected to.

Senator Stennett asked Russ Hendricks if he had participated in an initiative campaign and if he had any concerns that H 296 or S 1159 could subject the State of Idaho to wealthy out-of-state interests. Mr. Hendricks responded that he hasn't participated in an initiative process, but he has campaigned for elected officials. Mr. Hendricks further stated that S 1159 does not impose any additional burdens that other states do not have, and concluded that if there is something that is good for both urban and rural Idahoans, then it will get on the ballot.

Chairwoman Lodge asked Jason Hudson if he felt it would be impossible for an initiative to make it onto the ballot if H 296 was passed. Mr. Hudson responded that the process would make it so difficult that it will be nearly impossible to get an initiative on the ballot.

Senator Winder commented that the other portion of the constitutional amendment that people keep neglecting, the legislature has the duty to regulate initiatives. Senator Winder stated H 296 is an effort to listen to the testimony of S 1159, and they specifically made concessions.

Senator Souza asked Ken Harris where he got his information about the number of calls and e-mails the Governor's office had received about H 296 and S 1159. Mr. Harris stated he read the figures online, and he had no official documentation on him. Senator Souza lamented that these numbers can't be trusted, and that they are hearsay.

Senator Grow concluded that he finds it interesting that both the House and Senate have made efforts to make the initiative process easier, and people are still against this legislation. Senator Grow noted neither S 1159 or H 296 change the requirements for "qualified electors" and noted the concessions made in H 296 in comparison to S 1159.

Senator Stennett asked why this bill came through the process that it did, why it simply wasn't amended, and she asked about the "lack of rigor" from stakeholders. Senator Grow responded that he doesn't determine what process the House chooses, but he and a small group of Senators did confer with them.

Senator Hill asked how many other states require 10 percent or more registered voters in each district. Senator Grow responded that 11 of 26 states with an initiative process have the standard of 10 percent of votes cast. Senator Hill commented that although they can have to the same rate, when you apply that to a different population, you do not get an apples-to-apples comparison. Senator Stennett commented that no other state has a 10 percent requirement for registered voters.

Chairwoman Lodge asked how many states do not offer initiatives. Senator Grow stated that there were 24.

TESTIMONY:
After conferring with Marissa Morrison, Governor Little's Press Secretary, and as of Friday night, Mr. Harris confirmed that the Governor's office had received 2,502 e-mails and phone calls opposing H 296 and S 1159, and 9 in favor.

MOTION: Senator Souza moved to send H 296 to the floor with a do pass recommendation. Senator Hill seconded the motion.
Senator Stennett moved that H 296 be held in Committee. Senator McCoy seconded the motion.

Senator Hill commented that all parties worked really hard to get concessions to S 1159 and he believes that this bill is a great reflection of that. Vice Chairman Harris was a strong supporter of S 1159, and supports Senator Stennett's substitute motion, but for the opposite reason that she supports it. Senator Winder talked about the rigorous process that H 296 went through, and believes the bill is an improvement and supports the original motion. Chairwoman Lodge remarked that H 296 puts the initiative process in a better position than S 1159; she supports the original motion.

The substitute motion failed by voice vote. Senator Stennett, Senator McCoy, and Vice Chairman Harris requested that they be recorded as voting aye.

The motion to send H 296 to the floor with a do pass recommendation carried by voice vote. Senator Stennett and Senator McCoy requested to be recorded as voting nay.

There being no further business at this time, Chairwoman Lodge adjourned the meeting at 10:15 a.m.

___________________________
Senator Lodge
Chair

___________________________
Twyla Melton
Secretary

Assisted by Tyler Brock
ALL STATISTICS IN THIS REPORT ARE SPECIFIC TO IDAHO POPULATIONS. NO OTHER STATES POPULATIONS ARE CONSIDERED, ONLY THEIR REQUIREMENTS.

TO: Senate State Affairs Committee  
FROM: Colin Nash  
DATE: April 2, 2018  
SUBJECT: H296

ANALYSIS

For S1159 and H296 to pass state constitutional muster the requirements they enact must be found to be “workable” and “reasonable,” and to avoid strict scrutiny under a federal constitutional challenge cannot impose a “severe burden” on plaintiff’s rights. While H296 may mitigate some of the provisions of S1159, the basic flaw of the original bill remains unchanged, and the net effect is that the standard for ballot qualification is neither reasonable nor workable.

Brian Kane, Deputy Attorney General, in an opinion addressed to Representative Ilana Rubel on March 11, 2019 regarding the constitutionality of S1159 stated,

“With regard to the increased requirement that 10% of the qualified voters sign the petition, this was the requirement addressed in [Dredge]...it did approve the statute with its 10% of qualified elector’s requirement. It is likely that a reviewing court would follow [the] conclusion that this requirement was reasonable and workable if faced with a direct challenge to the number of total signatures required to place an initiative petition.

Mr. Kane suggests that because Idaho once had a 10% signature requirement which previously withstood an indirect court challenge, future courts may uphold it in a direct challenge. He later cites case law in Utah and Nevada where courts have similarly upheld 10% signature requirements. Mr. Kane’s analysis is sound, but the facts applied are incorrect. Idaho did not have a 10% of “qualified electors” requirement under the original law in Dredge. The 1933 requirement, amended to its current form in 1997 and pictured below, required 10% of “qualified electors of the state based upon the aggregate votes cast for governor.”

```
10% of the aggregate votes cast for governor at the general election next preceding the filing of such initiative or referendum petition at the time of the last general election. Provided, that the petition must
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The original requirement was actually 10% of votes cast for governor. If we were to revert to the 1933 law and apply it to today’s voting populations it would require 31,428 fewer signatures than S1159 and H296. This also happens to be a common standard in the country, similar to the requirements that withstood challenges in Nevada and Utah. Mr. Kane signed off on a bill that’s effects are drastically different than the facts he analyzed.

Requiring signatures from 10% of registered electors would be the highest threshold in the country for an initiated state statute. Wyoming is the only state with a relatively similar signature requirement, and it may be vulnerable to legal challenge as no campaign has qualified an initiated statute for the ballot there since 1992. These bills go even further than Wyoming by requiring signatures to be gathered in half the time, with a more difficult distribution requirement.

While some states may have a single feature that overlaps with S1159 or H296, no state has incorporated all of its requirements, which combined have an exponential effect on difficulty. The proposed standards would make Idaho’s law the most difficult in the nation among the 21 states that allow initiated statutes, including a neighboring state that may also have an unreasonable and unworkable standard.

Mr. Kane concluded his opinion with the following,

“I offer the caveat though that if credible evidence could be developed that an initiative sponsor could not reasonably collect the required signatures in the allotted time period, the proposed signature requirements and/or time requirements could fall to a constitutional challenge.”

The credible evidence available, but not analyzed by Mr. Kane, fails to inspire confidence in the constitutionality of S1159 and H296. I’d ask that you’d either hold this legislation in committee, or if you can’t do that please send it to the amending order to change the signature requirement from “registered electors” to some form of ballots cast where it might be “reasonable” or “workable” and thereby withstand a constitutional challenge.
**TOTAL SIGNATURES REQUIRED IF EACH STATE’S LAWS WERE APPLIED TO IDAHO**

I caution against using percentages to compare the requirements of each state as they may measure different things. Only Idaho and Nebraska base their signature requirements off of registered voters rather than ballots cast, so relative to most states H296 has a 15% effective rate, or the highest in the country tied with WY where no statutory initiative has qualified since 1992.

<table>
<thead>
<tr>
<th>RANK</th>
<th>STATE</th>
<th>% OF</th>
<th>TOTAL</th>
<th>CURRENT</th>
<th>“+/-” S1159</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wyoming</td>
<td>15% votes cast</td>
<td>91,880</td>
<td>36,823</td>
<td>119</td>
</tr>
<tr>
<td>2*</td>
<td>Idaho (S1159)</td>
<td>10% registered voters</td>
<td>91,761</td>
<td>36,704</td>
<td>0</td>
</tr>
<tr>
<td>2*</td>
<td>Idaho (H296)</td>
<td>10% registered voters</td>
<td>91,761</td>
<td>36,704</td>
<td>0</td>
</tr>
<tr>
<td>4</td>
<td>Utah</td>
<td>10% votes cast POTUS</td>
<td>69,026</td>
<td>13,969</td>
<td>-22,736</td>
</tr>
<tr>
<td>5</td>
<td>Alaska</td>
<td>10% votes cast GE</td>
<td>61,254</td>
<td>6,197</td>
<td>-30,507</td>
</tr>
<tr>
<td>5</td>
<td>Nevada</td>
<td>10% votes cast GE</td>
<td>61,254</td>
<td>6,197</td>
<td>-30,507</td>
</tr>
<tr>
<td>7</td>
<td>Nebraska</td>
<td>7% registered voters</td>
<td>60,719</td>
<td>5,662</td>
<td>-31,042</td>
</tr>
<tr>
<td>8</td>
<td>Maine</td>
<td>10% votes cast GOV</td>
<td>60,513</td>
<td>5,456</td>
<td>-31,248</td>
</tr>
<tr>
<td>8</td>
<td>Arizona</td>
<td>10% votes cast GOV</td>
<td>60,513</td>
<td>5,456</td>
<td>-31,248</td>
</tr>
<tr>
<td>10</td>
<td>Idaho (Current)</td>
<td>6% registered voters</td>
<td>55,057</td>
<td>0</td>
<td>-36,704</td>
</tr>
<tr>
<td>11</td>
<td>Oklahoma</td>
<td>8% votes cast GOV</td>
<td>48,410</td>
<td>-6,647</td>
<td>-43,351</td>
</tr>
<tr>
<td>11</td>
<td>Michigan</td>
<td>8% votes cast GOV</td>
<td>48,410</td>
<td>-6,647</td>
<td>-43,351</td>
</tr>
<tr>
<td>11</td>
<td>Washington</td>
<td>8% votes cast GOV</td>
<td>48,410</td>
<td>-6,647</td>
<td>-43,351</td>
</tr>
<tr>
<td>11</td>
<td>Arkansas</td>
<td>8% votes cast GOV</td>
<td>48,410</td>
<td>-6,647</td>
<td>-43,351</td>
</tr>
<tr>
<td>N/A</td>
<td>AVERAGE</td>
<td>N/A votes cast GOV</td>
<td>47,161</td>
<td>-7,896</td>
<td>-44,600</td>
</tr>
<tr>
<td>15</td>
<td>Oregon</td>
<td>6% votes cast GOV</td>
<td>36,308</td>
<td>-18,749</td>
<td>-55,453</td>
</tr>
<tr>
<td>15</td>
<td>Ohio</td>
<td>6% votes cast GOV</td>
<td>36,308</td>
<td>-18,749</td>
<td>-55,453</td>
</tr>
<tr>
<td>17</td>
<td>North Dakota</td>
<td>2% total population</td>
<td>35,084</td>
<td>-19,973</td>
<td>-56,677</td>
</tr>
<tr>
<td>18</td>
<td>California</td>
<td>5% votes cast GOV</td>
<td>30,257</td>
<td>-24,800</td>
<td>-61,504</td>
</tr>
<tr>
<td>18</td>
<td>Missouri</td>
<td>5% votes cast GOV</td>
<td>30,257</td>
<td>-24,800</td>
<td>-61,504</td>
</tr>
<tr>
<td>18</td>
<td>Montana</td>
<td>5% votes cast GOV</td>
<td>30,257</td>
<td>-24,800</td>
<td>-61,504</td>
</tr>
<tr>
<td>18</td>
<td>South Dakota</td>
<td>5% votes cast GOV</td>
<td>30,257</td>
<td>-24,800</td>
<td>-61,504</td>
</tr>
<tr>
<td>22</td>
<td>Colorado</td>
<td>5% votes cast GOV</td>
<td>29,636</td>
<td>-25,421</td>
<td>-62,125</td>
</tr>
<tr>
<td>23</td>
<td>Massachusetts</td>
<td>3% votes cast GOV</td>
<td>18,154</td>
<td>-36,903</td>
<td>-73,607</td>
</tr>
</tbody>
</table>

*depending on voter turnout S1159/H296 and Wyoming would vary between 1st and 2nd
POTUS=for the office of president, GE=in the last general election, GOV=for the office of governor, SoS= for the office of secretary of state
CIRCULATION PERIOD AND SIGNATURE GATHERING RATE

I would caution against comparing the reasonableness of the length of H296's circulation period without considering the rate at which signatures must be gathered. The four states with circulation periods equal to or shorter than H296 requires between 47-80% fewer signatures. No state with a distribution requirement would require signatures to be gathered at a faster rate. All signatures gathered in Oklahoma are presumed valid unless challenged.

<table>
<thead>
<tr>
<th>RANK</th>
<th>STATE</th>
<th>TOTAL</th>
<th>MONTHS</th>
<th>MONTHLY RATE</th>
<th>&quot;+/-&quot; RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Oklahoma</td>
<td>48,410</td>
<td>3</td>
<td>16,137</td>
<td>528%</td>
</tr>
<tr>
<td>2</td>
<td>Idaho (S1159)</td>
<td>91,761</td>
<td>6</td>
<td>15,294</td>
<td>500%</td>
</tr>
<tr>
<td>3</td>
<td>Idaho (H296)</td>
<td>91,761</td>
<td>9</td>
<td>10,366</td>
<td>339%</td>
</tr>
<tr>
<td>4</td>
<td>Michigan</td>
<td>48,410</td>
<td>6</td>
<td>8,068</td>
<td>264%</td>
</tr>
<tr>
<td>5</td>
<td>Utah</td>
<td>69,026</td>
<td>10</td>
<td>6,662</td>
<td>218%</td>
</tr>
<tr>
<td>6</td>
<td>Alaska</td>
<td>61,254</td>
<td>12</td>
<td>5,104</td>
<td>167%</td>
</tr>
<tr>
<td>6</td>
<td>Nevada</td>
<td>61,254</td>
<td>12</td>
<td>5,104</td>
<td>167%</td>
</tr>
<tr>
<td>6</td>
<td>Wyoming</td>
<td>91,880</td>
<td>18</td>
<td>5,104</td>
<td>167%</td>
</tr>
<tr>
<td>9</td>
<td>California</td>
<td>30,257</td>
<td>6</td>
<td>5,043</td>
<td>165%</td>
</tr>
<tr>
<td>9</td>
<td>Maine</td>
<td>60,513</td>
<td>12</td>
<td>5,043</td>
<td>165%</td>
</tr>
<tr>
<td>11</td>
<td>Colorado</td>
<td>29,636</td>
<td>6</td>
<td>4,939</td>
<td>161%</td>
</tr>
<tr>
<td>12</td>
<td>Washington</td>
<td>48,410</td>
<td>10</td>
<td>4,841</td>
<td>158%</td>
</tr>
<tr>
<td></td>
<td>AVERAGE STATE</td>
<td>47,666</td>
<td>13</td>
<td>5,613</td>
<td>183%</td>
</tr>
<tr>
<td>13</td>
<td>Massachusetts</td>
<td>18,154</td>
<td>5</td>
<td>3,631</td>
<td>119%</td>
</tr>
<tr>
<td>14</td>
<td>Idaho (Current)</td>
<td>55,057</td>
<td>18</td>
<td>3,059</td>
<td>100%</td>
</tr>
<tr>
<td>15</td>
<td>North Dakota</td>
<td>35,084</td>
<td>12</td>
<td>2,924</td>
<td>96%</td>
</tr>
<tr>
<td>16</td>
<td>Nebraska</td>
<td>60,719</td>
<td>24</td>
<td>2,530</td>
<td>83%</td>
</tr>
<tr>
<td>17</td>
<td>Arizona</td>
<td>60,513</td>
<td>24</td>
<td>2,521</td>
<td>82%</td>
</tr>
<tr>
<td>17</td>
<td>South Dakota</td>
<td>30,257</td>
<td>12</td>
<td>2,521</td>
<td>82%</td>
</tr>
<tr>
<td>19</td>
<td>Missouri</td>
<td>30,257</td>
<td>18</td>
<td>1,681</td>
<td>55%</td>
</tr>
<tr>
<td>19</td>
<td>Montana</td>
<td>30,257</td>
<td>18</td>
<td>1,681</td>
<td>55%</td>
</tr>
<tr>
<td>21</td>
<td>Oregon</td>
<td>36,308</td>
<td>24</td>
<td>1,513</td>
<td>49%</td>
</tr>
<tr>
<td>22</td>
<td>Arkansas</td>
<td>48,410</td>
<td>UNLIMITED</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>23</td>
<td>Ohio</td>
<td>36,308</td>
<td>UNLIMITED</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>
DISTRIBUTION REQUIREMENTS

Every state that ranks ahead of S1159 and H296 in each category has a more liberal distribution requirement. H296 increases the number of legislative districts included in the distribution requirement by 33%, making it the second most difficult in the country, when almost half of states have none at all.

<table>
<thead>
<tr>
<th>RANK</th>
<th>STATE</th>
<th>DISTRIBUTION REQUIREMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Idaho (S1159)</td>
<td>10% of registered voters in 32 of 35 legislative districts (10% overall)</td>
</tr>
<tr>
<td>2</td>
<td>Utah</td>
<td>10% votes cast in 26 of 29 legislative districts (10% overall)</td>
</tr>
<tr>
<td>3</td>
<td>Idaho (H296)</td>
<td>10% of registered voters in 24 of 35 legislative districts (10% overall)</td>
</tr>
<tr>
<td>4</td>
<td>Wyoming</td>
<td>15% of votes cast in 2/3 of all counties (15% overall)</td>
</tr>
<tr>
<td>5</td>
<td>Alaska</td>
<td>7% from 3/4 of 40 legislative districts (10% overall)</td>
</tr>
<tr>
<td>6</td>
<td>Idaho (Current)</td>
<td>6% of registered voters in 18 of 35 legislative districts (6% overall)</td>
</tr>
<tr>
<td>7</td>
<td>Nebraska</td>
<td>5% of registered voters in 38 of 93 counties (7% overall)</td>
</tr>
<tr>
<td>8</td>
<td>Missouri</td>
<td>5% in 2/3 or 6/8 congressional districts (5% overall)</td>
</tr>
<tr>
<td>9</td>
<td>Nevada</td>
<td>10% of all votes casted divided by number of congressional districts</td>
</tr>
<tr>
<td>10</td>
<td>Montana</td>
<td>5% of registered voters in 1/3 of all legislative districts</td>
</tr>
<tr>
<td>11</td>
<td>Michigan</td>
<td>8% of votes cast in 7 of 14 congressional districts (8% overall)</td>
</tr>
<tr>
<td>12</td>
<td>Massachusetts</td>
<td>No more than 1/4 of total signatures from any county</td>
</tr>
<tr>
<td>13</td>
<td>Ohio</td>
<td>1.5% of votes cast in 44 of 88 counties (6% overall)</td>
</tr>
<tr>
<td>14</td>
<td>Arkansas</td>
<td>4% of votes cast in 15 of 75 counties (8% overall)</td>
</tr>
<tr>
<td>15</td>
<td>Arizona</td>
<td>NO DISTRIBUTION REQUIREMENT</td>
</tr>
<tr>
<td>15</td>
<td>California</td>
<td>NO DISTRIBUTION REQUIREMENT</td>
</tr>
<tr>
<td>15</td>
<td>Colorado</td>
<td>NO DISTRIBUTION REQUIREMENT</td>
</tr>
<tr>
<td>15</td>
<td>Maine</td>
<td>NO DISTRIBUTION REQUIREMENT</td>
</tr>
<tr>
<td>15</td>
<td>North Dakota</td>
<td>NO DISTRIBUTION REQUIREMENT</td>
</tr>
<tr>
<td>15</td>
<td>Oklahoma</td>
<td>NO DISTRIBUTION REQUIREMENT</td>
</tr>
<tr>
<td>15</td>
<td>Oregon</td>
<td>NO DISTRIBUTION REQUIREMENT</td>
</tr>
<tr>
<td>15</td>
<td>South Dakota</td>
<td>NO DISTRIBUTION REQUIREMENT</td>
</tr>
<tr>
<td>15</td>
<td>Washington</td>
<td>NO DISTRIBUTION REQUIREMENT</td>
</tr>
</tbody>
</table>
FACTS AND STATISTICS

- **ONLY S1159/H296 RANK IN THE TOP THREE OF EVERY MEASURE**
  - Tied for 1st highest signature total requirement.
  - The 2nd highest signature gathering rate.
  - The 2nd most rigorous distribution requirement.

- **S1159/H296 WOULD MAKE INITIATIVES EXPONENTIALLY MORE DIFFICULT**
  - Because S1159/H296 requires 63% more signatures in 33% more districts in 50% less time, all of these factor have a multiplier effect on difficulty and requirements must be assessed in their totality to appreciate the added difficulty.

- **STATE TO STATE COMPARISONS CAN BE MISLEADING**
  - **Total Signature Requirements**
    - Idaho law bases is signature requirement off of registered voters rather than ballots cast which is used in some variation in 18 of the 21 states, giving it a 15% effective rate relative to other states.
    - Because only 65% of signatures are generally verified, future campaigns would actually require an estimated effort of 141K signatures.
    - Gathering 141K signatures is the functional equivalent of having ½ or ¼ actual voters sign before they are permitted to vote on an initiative.
    - Three other states have a 10% requirement, but those state laws applied here would actually require as many as 30,000 fewer signatures.
    - There is only one state in the country that bases its statutory initiative signature requirement off of registered voters, that is Nebraska at 7%.
  - **Petition Circulation Period**
    - No state with a distribution requirement would require a faster signature gathering rate.
    - Circulation periods should be considered along with the total signatures a state requires to appreciate the rate at which signatures must be gathered.
    - Of the the five states with with circulation periods equal to or shorter than H296, they require between 47-80% fewer total signatures than H296.
  - **Distribution Requirement**
    - Every state that ranks ahead of S1159/H296 in every other category has a more liberal distribution requirement, and almost half have none at all.
STATE TO STATE COMPARISONS

- S1159
  - 91K signature requirement
  - 6 month circulation period
  - Distribution requirement of 32/35 legislative districts

- H296
  - 91K signature requirement
  - 9 month circulation period
  - Distribution requirement of 24/35 legislative districts

- UTAH
  - More difficult distribution requirement
  - Allows 1 more month to get 22K fewer signatures
  - 10% fewer signatures fail verification

- OKLAHOMA
  - Slightly more difficult signature gathering rate
  - Signatures are presumed valid unless they are challenged
  - Only 90 day circulation period, but requires half the signatures
  - No distribution requirement

- NEVADA
  - Similarly difficult signature verification
  - Requires about 30K less signatures
  - 12 month circulation period
  - More liberal distribution requirement

- MICHIGAN
  - 6 month circulation period
  - Requires 43K less signatures
  - Less difficult distribution requirement
  - Verifies signatures with random sampling method

- WYOMING
  - Nearly tied for highest signature requirement in the nation
  - 18 month circulation period
  - More liberal distribution requirement
  - No statutory initiative has qualified since 1992

- ALASKA
  - Requires 30K less signatures
  - 12 month circulation period
  - More liberal distribution requirement
FACT CHECK

1. IDAHO DID NOT HAVE A 10% OF REGISTERED VOTERS REQUIREMENT
   a. It has been repeated by the sponsors of this bill that a 10% signature requirement is reasonable because Idaho previously imposed such a requirement. This is a false equivocation.
   b. The 1933 law, amended in 1997 (pictured below) to its current requirement was 10% of “qualified electors of the state based upon THE AGGREGATE VOTE CAST FOR GOVERNOR.” Not “registered electors.”

   ![Signature Requirement Image]

   given by the secretary of state there shall be inserted underneath the signatures of legal voters equal in number to not less than ten percent six percent (6%) of the qualified electors of the state based upon the aggregate vote cast for governor at the general election next preceding the filing of such initiative or referendum petition at the time of the last general election. Provided, that the petition must contain a number of signatures of qualified electors from each of twenty-two (22) counties equal to not less than six percent (6%) of the qualified electors at the time of the last general election in each of those twenty-two (22) counties.

   c. It has been suggested that we go back to the 1933 law which actually would require 31,248 fewer signatures than S1159.

2. S1159 REQUIRES MORE SIGNATURES IN LESS TIME THAN ANY OTHER STATE
   a. It has been repeated by the sponsors that the 6 or 9 month circulation period is reasonable because other states have imposed similarly short periods. These are incomplete comparisons.
   b. Maine DOES NOT have a six month circulation period for statutory initiatives, but 18 months. Maine Constitution, Article IV, Part 3, Section 18
   c. Of the five states Rep. Dixon and Sen. Grow referenced with with circulation periods equal to or shorter than S1159, they would require between 47-80% fewer total signatures than S1159, thus S1159 requires less time to gather more signatures.
      i. Massachusetts does have a 4-5 month circulation period, but would require 73K fewer signatures in Idaho.
      ii. Colorado does have a 6 month circulation period, but would require 63K fewer signatures in Idaho, and no distribution requirements (distribution requirements do apply to constitutional amendments).
      iii. Oklahoma does have a ninety day circulation period, but would require 43K fewer signatures in Idaho, and no distribution requirement.
      iv. California does have a six month circulation period, but would require 61K fewer signatures in Idaho, and no distribution requirement.
v. Michigan does have a six month circulation period, but would require 43K fewer signatures in Idaho.

NO STATE IN THE COUNTRY REQUIRES SIGNATURES FROM 10% OF REGISTERED ELECTORS FOR A STATUTORY INITIATIVE

a. “Many other states have a 10% or higher threshold than what we’re asking here. Alaska, Maine, Michigan, Nevada, Ohio, South Dakota, Utah, New Mexico all have 10% or higher. Other states even have higher Mississippi requires 12%, Wyoming and Oklahoma and Arizona have 15% thresholds…” -Representative Dixon in Committee March 26, 2019.

b. S1159/H296
   i. Would require 91,761 signatures. That number is more important than the percentages, because state-to-state comparisons are misleading when they measure different things.

c. Alaska
   i. Does not require signatures from 10% of registered electors, but 10% of ballots cast in the last general election, and would require 30K fewer signatures if applied to Idaho under S1159.

d. Arizona
   i. Does not require signatures from 15% of registered electors, but 15% of votes cast for governor for constitutional amendments, it requires 10% of votes cast for governor for statutory initiatives, or 31K fewer signatures if applied to Idaho under S1159.

e. Arkansas
   i. Does not require 10% for statutory initiatives, but for constitutional amendments. It requires 8% of votes cast for governor for statutory initiatives, or 43K fewer signatures if applied to Idaho under S1159.

f. Maine
   i. Does not require signatures from 10% of registered electors, but 10% of ballots cast in the last general election, and would require 30K fewer signatures if applied to Idaho under S1159.

g. Montana
   i. Does not require signatures from 10% of registered electors, but 10% of ballots cast for governor for constitutional amendments. It requires 5% of votes cast for governor for statutory initiatives, which would be 61K fewer signatures if applied to Idaho under S1159.

h. Michigan
   i. Does not require signatures from 10% of registered electors, but 10% of votes cast for governor for constitutional amendments. It requires 8% of
votes cast for governor for statutory initiatives, which would be 43K fewer signatures if applied to Idaho under S1159.

i. Nebraska
   i. Does not require signatures from 10% of registered electors for a statutory initiative but for a constitutional amendment. It is the only state in the country other than Idaho that bases its signature requirement off of registered electors, and it only requires 7%, or 31K fewer signatures if applied to Idaho under S1159.

j. Nevada
   i. Does not require signatures from 10% of registered electors, but for votes cast for governor, which would be 30K fewer signatures if applied to Idaho under S1159.

k. Ohio
   i. Does not require signatures from 10% of registered electors for a statutory initiative. It requires 10% of votes cast for governor for constitutional amendments. It requires 6% of votes cast for governor for statutory initiatives, or 55K fewer signatures if applied to Idaho under S1159.

l. South Dakota
   i. Does not require signatures from 10% of registered electors for a statutory initiative. It requires 10% of votes cast for governor for constitutional amendments. It requires 5% of votes cast for governor for statutory initiatives, or 61K fewer signatures if applied to Idaho under S1159.

m. Utah
   i. Does not require signatures from 10% of registered electors for a statutory initiative, but from 10% of ballots cast in a presidential election, or 22K fewer signatures if applied to Idaho under S1159.
   ii. Following its successful ballot initiatives for Medicaid expansion and medicinal cannabis, three weeks ago Utah increased its signature requirement by lowering the percentage from 10% of ballots cast in a presidential election to 8% of active voters. They increased their standard by lowering the percentage because they measure different things.

n. New Mexico
   i. Doesn’t even have the power of initiative. It has a veto referendum that requires signatures from 10% of ballots cast in the previous general election, or 30K fewer signatures if applied to Idaho under S1159.

o. Mississippi
   i. Doesn’t even have the power of statutory initiatives, they may propose a constitutional amendment to the legislature after gathering signatures from
12% of votes cast for governor, or 19K fewer signatures if applied to Idaho under S1159.

p. Wyoming
i. Doesn’t require signatures from 15% of registered electors, but of votes cast in the last general election, or 119 more signatures if applied to Idaho under S1159.

q. Oklahoma
i. Doesn’t require signatures from 15% of registered electors, but 15% of votes cast for governor for constitutional amendments. It requires 8% of votes cast for governor for statutory initiatives or 43K fewer signatures if applied to Idaho under S1159.

POPULATION REFERENCES

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<tr>
<th>Idaho Populations Used</th>
<th>#</th>
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<tr>
<td>Total Votes Cast For Office of Secretary Of State In 2018 Election</td>
<td>592,727</td>
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<td>Total Votes Cast For Office of Governor In 2018 Election</td>
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<tr>
<td>Total Ballots Cast In 2018 Gubernatorial Election</td>
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<td>Total Ballots Cast In 2018 General Election</td>
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<td>Total Ballots Cast For President (2016)</td>
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<td>917,612</td>
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<td>Total Population (July 2018)</td>
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LEGAL CITATIONS

- Alaska
  - Signature Requirement: [Alaska Code Sec. 15.45.140(a)(1)]
  - Circulation Period: [Alaska Code Sec. 15.45.140(a), (b)]
  - Distribution Requirement: [Alaska Code 15.45.140(a)(2), (3)]

- Arizona
  - Signature Requirement: [Arizona State Constitution, Part 1, Section 1(7)]
  - Circulation Period: [Arizona Revised Statutes 19-121(5)(B)]
  - Distribution Requirement: N/A

- Arkansas
  - Signature Requirement: [AR CONST Art. 5, § 1]
  - Circulation Period: [AR CONST Art. 5, § 1]
  - Distribution Requirement: [AR CONST Art. 5, § 1]
- California
  - Signature Requirement: California Constitution, Article II, Section 8(b)
  - Circulation Period: California Code, Elections Code - ELEC § 9014
  - Distribution Requirement: California Constitution, Article II, Section 8
- Colorado
  - Signature Requirement: Colorado Constitution, Article V, Section 1, ¶ 2
  - Circulation Period: Colorado Revised Statutes, Title 1, Article 40, Section 108 and Article V, Section 1(2) of the Colorado Constitution
  - Distribution Requirement: N/A (only applicable for initiated constitutional amendments)
- Idaho (currently)
  - Signature Requirement: Idaho Statutes, Title 34, Chapter 18, Section 34-1805
  - Circulation Period: Idaho Statutes, Title 34, Chapter 18, Section 34-1802
  - Distribution Requirement: Idaho Statutes, Title 34, Chapter 18, Section 34-1805
- Idaho (S1159)
  - all requirements are found in the full text of the bill
- Maine
  - Signature Requirement: Maine Constitution, Article IV, Part 3, Section 18
  - Circulation Period: Maine Constitution, Article IV, Part 3, Section 18
  - Distribution Requirement: N/A
- Massachusetts
  - Signature Requirement: Massachusetts Constitution, Article XLVIII, Parts IV-V & Article LXXXI, Section 2
  - Circulation Period: Massachusetts Constitution, Article XLVIII, Part IV-V and Massachusetts Constitution, Article LXXXI, Section 1-3
  - Distribution Requirement: Massachusetts Constitution, Article XLVIII, "General Provisions"
- Michigan
  - Signature Requirement: Michigan Constitution, Article II, Section 9 & Article XII, Section 2
  - Circulation Period: Michigan Constitution, Article II, Section 9 & Article XII, Section 2
  - Distribution Requirement: Michigan Constitution, Article II, Section 9; Article XII, Section 2; Michigan Compiled Laws, Chapter 168, Section 471 and Section 473b
- Missouri
  - Signature Requirement: Missouri Constitution, Article III, Section 50 & 53
  - Circulation Period: Missouri Constitution, Article III, Section 50 & 53
- Distribution Requirement: Missouri Constitution, Article III, Sections 50 and Missouri Revised Statutes, Title IX, Chapter 116, Section 116.334

- Montana
  - Signature Requirement: Montana Constitution, Article III, Section 4, Montana Constitution Article III, Section 7 & Article XIV, Section 9
  - Circulation Period: Montana Code Annotated, Title 13, Chapter 27, Section 104 and Section 202
  - Distribution Requirement: Montana Constitution, Article III, Section 4; Article XIV, Section 9 and Montana Code Annotated, Title 13, Chapter 27, Section 303(2)

- Nebraska
  - Signature Requirement: Nebraska Constitution, Article III, Sections 2 & 3
  - Circulation Period: Nebraska Revised Statutes, Chapter 32, Section 1407 (2)
  - Distribution Requirement: Nebraska Constitution, Article III, Sections 2 & 3

- Nevada
  - Signature Requirement: Nevada Constitution, Article 19, Sections 2 & 3
  - Distribution Requirement: Nevada Revised Statutes, Chapter 295, Section 069
  - Circulation Period: Nevada Constitution, Article 19, Sections 1-2 and Nevada Revised Statutes, Chapter 295, Section 056 and Chapter 293, Section 1276

- North Dakota
  - Signature Requirement: North Dakota Constitution, Article III, Sections 4, 9, & 10
  - Circulation Period: North Dakota Century Code, Title 16.1, Chapter 1, Section 9 (7) and Article III, North Dakota Constitution
  - Distribution Requirement: N/A

- Ohio
  - Signature Requirement: Ohio Constitution, Article 2, Sections 1a, 1b
  - Circulation Period: Ohio Constitution, Article 2, Sections 1a, 1b
  - Distribution Requirement: Ohio Constitution, Article II, Section 1g

- Oklahoma
  - Signature Requirement: Oklahoma Constitution, Article V, Section 2 & Section 6
  - Circulation Period: Oklahoma Constitution, Article V, Section 3 and Oklahoma Statutes, Title 34, Section 34-25
  - Distribution Requirement: Oklahoma Constitution, Article V, Sections 1-8; and Oklahoma Statutes, Title 34

- Oregon
  - Signature Requirement: Oregon Constitution, Article IV, Section 1
  - Circulation Period: Oregon Constitution, Article IV, Section 1 (2e.4e) and Oregon Revised Statutes, Chapter 250, 105
- Distribution Requirement: Oregon Constitution, Article IV, Section 1, Oregon Revised Statutes, Chapter 250

- South Dakota
  - Signature Requirement: South Dakota Constitution, Article III, Section 1
  - Circulation Period: Utah Code, Title 20A, Chapter 7, Sections 206 and 306
  - Distribution Requirement: South Dakota Constitution, Article III, Section 1 and Article XXIII, Sections 1-3

- Utah
  - Signature Requirement: Utah Code, Title 20A, Chapter 7, Section 201, Section 208 & Section 301
  - Circulation Period: Utah Code, Title 20A, Chapter 7, Sections 206 and 306
  - Distribution Requirement: Utah Code, Title 20A, Chapter 7, Section 201, Section 208 & Section 301

- Washington
  - Signature Requirement: Initiatives & Referenda In Washington State
  - Distribution Requirement: Washington Constitution, Article II, Section 1
  - Circulation Period: Revised Code of Washington, Title 29A, Chapter 72, Section 030 and Section 160

- Wyoming
  - Signature Requirement: (Page 16) Wyoming Constitution, Article 3, Section 52(c)(i)
  - Circulation Period: Wyoming Statutes, Title 22, Chapter 24, Section 315
  - Distribution Requirement: (Page 16) Wyoming Constitution, Article 3, Section 52(c)(ii)
  - HISTORY OF BALLOT AND REFERENDUM IN WYOMING
Ms. Melton,

I wanted to correct an error in my report. I overstated a fact the effect of Wyoming’s law. I said no initiative had qualified for the ballot since 1992. It is actually 1996. No initiative has passed since 1992. If you could please pass this information on to the committee I would appreciate it.

Colin Nash
(801) 600-0514
APRIL 2, 2019
H 296
COPIES OF ORAL TESTIMONIES
ATTACHMENT 2
April 2, 2019

Idaho Senate State Affairs Committee
Senators Lodge, Harris, Hill, Winder, Vick, Anthon, Souza, Stennett, Buckner-Webb

Re: Citizens' Initiatives Bill HB296

Madam Chairwoman, Honorable Senators, thank you for the chance to testify against HB296 for one minute today.

I am reminded of Flight of the Bumblebee.

Flight of the Bumblebee would aptly describe the year in my life when I worked on the Medicaid Initiative. *

There were more than 2,000 of us hardworking bumblebees frantically gathering signatures. Many of our courageous little bumblebee body parts suffered. My heroic little bumblebee lungs got pneumonia from working so hard.

Now, though, the Flight of the Bumblebee, if you can imagine it, would play four times faster for future volunteers who wish to put an initiative on the ballot.

I'm afraid HB296—withSB1159—is going to break our brave little bumblebee wings.

Please vote against this bill.

Thank you for your public service.

Sincerely,

Brenda Foster
Madam Chairman: My name is Gary Moncrief and I remain opposed to this effort to dilute the influence of everyday Idahoans in the policy process.

Former Congressman John Dingell famously said,

*If you let me write procedure and I let you write substance, I'll screw you every time.*

In my view, this amended version remains highly questionable from a constitutional standpoint. The most egregious part of the original bill remains, and that is the requirement that signatures equal to 10 percent of registered voters—NOT ACTUAL VOTES, but registered voters remains.

The argument in favor of this appears to be, “But Wyoming’s requirement is higher!” The Wyoming requirement is 15% of the total number of VOTERS (not registered voters) in the last election. So the 10% of registered voters standard in Idaho would be very similar to the 15% of actual voters in Wyoming. So, yes, this bill would put us on a par with the standard in Wyoming. The most difficult standard in the country.

By the way, no initiative has passed in Wyoming since 1992. That’s 27 years—more than a quarter of a century.

*If you let me write procedure and I let you write substance, I'll screw you every time.*

This bill is about changing procedure and for what? There is NO compelling evidence that there is a problem. Elsewhere, it appears we
Good Morning. Madam Lodge, members of the Committee. My name is Roberta D’Amico, I live in Boise, and I represent myself. Thank you for the opportunity, to testify. I’m here to express my opposition to SB 1159 and the trailer bill HB 296.

When distinguished citizens from all walks of life, education, and political affiliations have overwhelmingly spoken against changing the ballot initiative process from what we have which is hard, to what is proposed, which is impossible, I asked myself what else can I say.

I say it's wrong to defy the Idaho constitution, it's wrong to betray the trust of your constituents, it's wrong to make the ballot initiative process feasible for only well-funded special interest groups. Its just wrong.

What will make this right? Regaining the trust of Idahoans in our legislature.

I urge you to make this right, vote no on SB1159/HB296.

Thank you.
Roberta D’Amico
Boise, Idaho
Testimony of Kathy Griesmyer
OPPOSE HB 296: Trailer Bill to SB 1159aa Initiative and Referendum Requirements
Before Senate State Affairs Committee
April 2, 2019

The ACLU of Idaho stands before you in opposition to HB 296 because the proposed changes do not address SB 1159aa’s continued unconstitutional violation of the Fourteenth Amendment’s Equal Protection Clause that provides the promise of “one person, one vote.”

HB 296 continues to impose an even more restrictive geographic distribution signature requirement than is currently provided by law under I.C. §34-18. According to public voting information, Idaho’s population of qualified electors varies widely in their geographic distribution based on the state’s 35 legislative districts. As provided in our initial testimony on SB 1159, District 14 has the highest population of qualified electors at roughly 38,000 voters while District 27 has the lowest population of qualified electors at roughly 17,000. These disparities bear out in total district population numbers as well: District 14’s total population of more than 66,000 Idahoans is well over 1.5 times that of District 27’s population of less than 39,000.

HB 296 attempts to reduce SB 1159aa’s geographic distribution requirement by shortening the proposed number of legislative districts required for signature gathering from 32 out of 35 legislative districts to two-thirds of all districts. However - this change does nothing to absolve SB 1159aa’s violation of the premise of the Equal Protection clause and the long held constitutional standard of one person, one vote. In the Idaho Coalition United for Bears v. Cenarrusa case from 2003, the Ninth Circuit Court of Appeals ruled that the geographic distribution requirement valued voters in more sparsely populated areas over those in more densely populated areas. The same arguments can still be applied to HB 296 and SB 1159aa when considering the vast range of population distributions and voter registration numbers between Idaho’s currently drawn legislative districts.

A recent case out of Colorado challenging a new ballot initiative geographic distribution requirement is a cautionary tale. In 2018, a federal court struck down this voter approved requirement as a violation of the Equal Protection clause. The Court noted the significant variation in registered voters in each state senate district and held that a system which treated senate districts the same when the number of potential petition signers in each varied greatly violated the Equal Protection Clause. HB 296’s and SB 1159aa’s geographic distribution requirement continues to suffer from this same problem. The number of registered voters in Idaho’s legislative districts varies by as much as 21,000 voters – a 200% difference.

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1 Idaho Coalition United for Bears v. Cenarrusa, 234 F.Supp.2nd 1159, 1160 (D.Idaho 2001)
HB 296 also continues to violate the First Amendment of the US Constitution because the enhanced initiative process requirements place a severe and unconstitutional burden on core political speech. Under the *Angle v. Miller* case out of the Ninth Circuit Court of Appeals, the Court examined “the entire statutory scheme regulating ballot access” to determine whether a “reasonably diligent” proponent “can normally gain a place on the ballot, or whether they will rarely succeed in doing so.”\(^3\) Under this standard, Idaho’s existing ballot access requirements may be unconstitutional, with just two of twelve initiatives gaining a place on the ballot since Idaho’s statewide initiative requirements were last amended in 2013. And, with the additional imposed requirements under HB 296 and SB 1195aa, it’s highly likely that the public will be unable to reasonably succeed at placing a ballot initiative before the voters.

For these reasons, we ask you to vote no on HB 296 and preserve the constitutional rights of all Idahoans to petition their government under the ballot initiative process. Thank you.

\(^3\) *Angle v. Miller*, 673 F.3d at 1133 (9th Cir. 2012)
TESTIMONY ON H296 – APRIL 2, 2019

My name is Sam Sandmire and I am from Boise.

I represent myself & more than 2000 volunteers.

I have performed back flips on a 4-inch wide balance beam, 4 feet off the floor in front of thousands of people with no margin for error.

I survived childbirth.

I raised 3 teenage boys.

NOTHING I have ever done in my life was more difficult than my role in getting 56,192 valid signatures from 18 different legislative districts to get Medicaid Expansion on the ballot.

And to craft bills H 296 & 1159, without even ASKING grassroots volunteer organizers about the process & then to claim that the numbers in these bills are *attainable*, is just not acceptable.

This is a bill to silence the people of Idaho.

Thank you for letting me testify. *Questions?*

Yvonne “Sam” Sandmire
800 W. Ranch Rd.
Boise, ID 83702
208-859-0560 samsandmireidaho@gmail.com
A wise man once said, "the strength of the Constitution lies entirely in the determination of each citizen to defend it."

Everyday citizens have spoken up in both the Senate and House committees hearings, in phone calls, emails, letters, in signing a petition to the Governor, asking that our elected officials protect our constitutional right to bring forth a ballot initiative. We have acted with determination to protect this right, this freedom to act when elected officials fail to do so. Our efforts to protect our rights should be respected, not undermined. There is a disturbing pattern happening in the legislature where the goal posts are moved each time an initiative passes, making the hurdles higher and higher to overcome. The stated purpose of these changes is to increase public involvement but there is no doubt in any of our minds what the intention of this bill is: to strip us of our rights. Vote NO on 296 and help restore the trust in our government.

[Signature]

Boise 83702
Madam Chair and Members of the committee. My name is Ashley Prince. I am the current Field Director for Reclaim Idaho. Yesterday, I had the privilege of turning in over 10,000 online signatures to the gentleman on the second floor, asking him to Veto 1159 and H296! Signers hailed from over 150 Idaho towns, from all 35 Legislative Districts and all 44 counties. Luckily, for this purpose, we are not subjected to the same restrictions you see in regards to our initiative process. During Prop 2, it took us about 2 months to gather our first 10,000 signatures.

I wanted to share some comments from Idahoans in your district in opposition to H296 and 1159. However, the restrictive 1 min time you have placed on this testimony does not allow me the opportunity. Instead I will leave you with this- if I asked you to jump over a 40 ft wall you would say that is impossible. Asking you to instead jump over a 30 ft wall doesn’t make it any more probable. This bill does nothing to protect our cherished constitutional right to organize ballot initiatives. Please kill this bill in committee and join the citizens of Idaho in asking Gov Little to Veto 1159.

I now stand for questions
Jefferson Slagle- Rexburg (D34) Please preserve Idaho’s already-reasonable constitutional process for placing citizen initiatives on the ballot.

Richard Merkel- Cataldo (D2) Silencing the people is not serving the people.

Leslie Cavanah- Coeur D’Alene (D4) No law that muzzles the voter is good for Idaho.

Clyde Rinne- Meridian (D 20) Don't take away Idaho's citizens right to organize ballot initiatives.

Susan Keck- Almo (D 27) It is a terrible for the citizens of Idaho to be under the leadership of politicians who take away, limit, or diminish their constitutional rights.

Joetta Fulgenzi- Middleton (D11) If you represent the people, accept what the majority are saying. It takes an enormous amount of work to get anything on the ballot as seen by how few actually make it. Making it more difficult seems to say that you really don't want to listen to the people who you are supposed to be representing.

David E Rawdon Jr- Montpelier (D32) Git r done Sir
Madam Chair, members of the committee, my name is Jeremy Redman, I am a journeyman electrician and the president of the International Brotherhood of Electrical Workers local 291 in Boise and a resident of District 19. I am here to speak in opposition of bill 296. The last thing a working person, or any person for that matter, wants is for it to be more difficult to exercise their constitutional rights. Are ballot initiatives so big of a problem that we need secret meetings and suspended rules to stop the onslaught of citizen initiatives? The lightest hand of government. What does that mean? Do the right thing. Stop this bill in this committee. Thank you for your time. I will stand for questions.
April 2, 2019

Dear Senate State Affairs Committee Members:

On behalf of the more than 80,000 Idaho families who are members of the Idaho Farm Bureau Federation, I am writing to ask you to oppose H296.

Our members only became involved in this issue to help raise the number of districts required to gather signatures so that rural districts would have a say in the process. S1159 got us very close to what our members wanted to achieve.

Unfortunately, H296 takes away more than ½ of the gains we made with S1159. Yes, it does require signatures from more districts than current law, but with redistricting, we will be right back to the same situation we have now, where signatures can be collected solely in urban districts, while rural districts can potentially be completely ignored.

Signature gatherers will not go to a district that spans three or four counties, when they can go to multiple districts which are contained within a single county. The rural voice will be marginalized and discounted and will have no opportunity to help determine what makes it onto the ballot.

H296 needlessly undermines the hard work and effort that Senators spent defending and promoting S1159.

If you have any questions about this issue, please contact Russ Hendricks at 208-342-2688.

We appreciate your careful consideration of this issue and ask you to oppose H296.

Sincerely,

Bryan Searle, President
Idaho Farm Bureau Federation
Immense testimony is terribly short to be able to address this
weighty issue - comparing that to a book report is a false equivalency.

This is how we see it: When Idahoans pass an initiative that a majority in this body
does not agree with, you move the goalposts to make it harder for it to happen
again. It’s happened in the past and now you are trying to do it again. When,
actually, what this body should be doing is some serious introspection. If I were
you, I’d be asking myself, “Why is it that thousands of people had to spend their
precious time away from their families, knocking on strangers’ doors to get a law
passed that this body could have done in the first place?” Although we know you
have good intentions, sometimes you guys make mistakes and do something that
the majority of citizens disagrees with. Hence, the emergency option of ballot
initiatives in our constitution. This body has already made the rules more difficult
over time. Now you are contemplating basically taking it away.

If you want We the People to be replaced in our constitution by We the Wealthy
or We the Corporations, since they will be the only ones who will be able to pass a
ballot initiative in this state, then pass HB296.

If you want to prove to our youth that our government cares more about special
interests and monied lobbyists than they do about their citizens voices, then pass
HB296.

If you want to ensure that the voice of rural voters gets silenced, then pass
HB296.

If you want to completely demoralize the citizens of this state, then pass HB296.

The creation of this bill had a seedy start in a rushed, secret, rule violating
meeting. If you truly want an inclusive process for ballot initiatives then you will
vote against HB296.

Thank you,

Stephanie Hanson
877 Chardie Rd.
Boise, ID 83702

Inevitable

Has the cost of the court battle been calculated into
the financial impact of HB296?
Madame Chairwoman, members of the Committee, my name is Jason Hudson and I represent the Idaho AFL-CIO. I am here because the working people of Idaho do not want to see their Constitutional rights infringed. It has always been a fundamental legal principle that the Legislative branch cannot in effect amend the Constitution through the process of enacting statutes.

As the late Justice Antonin Scalia said in District of Columbia v. Heller - which struck down strict conditions on handgun ownership for citizens in Washington DC - "the enshrinement of constitutional rights necessarily takes certain policy choices off the table." The Heller decision relied on State v. Reid, which stated even more clearly, "A statute which - under the pretense of regulating - amounts to the destruction of the right...[in that case the right of the people to bear arms]...would be clearly unconstitutional".

As the statistics and analysis already presented today make clear, H296 would, under the pretense of regulating, amount to the practical destruction of the Constitutional right of the people of Idaho to "initiate any desired legislation and cause the same to be submitted to the vote of the people". The working people of Idaho hold their Constitutional rights dear, and I am here to ask you not to infringe on that right.
Mr. Chair, good members of the committee,

My name is Jordan Morales and I'm grateful to be able to testify. I'm in between my two jobs right now, barely making it on time from my early morning job and taking PTO from my main job to be here. I feel that's important as some lobbyists note they represent a bunch of folks that couldn't be here because of jobs and families. I have two kids, two jobs, an awesome wife and I am here because it's important. I'm also Pinckney's #1 ELO in house. I'm representing myself.

I speak as president to HB 246. In 2013 when the current requirements were instituted, the Texas Education Agency quoted a lobbyist on the tightening of the requirements as saying, "We want to shut the door to the barn before the horse is out." That lobbyist was Mr. Heidegger of the Texas Beef Council. Lately the horse got out, this bill sells the horses to the glue factory.

I spent two years knocking doors in New Jersey for the Church of Jesus Christ of Latter-day Saints, and some conservatives there for Prop 2. Both were educational with all the importance to me and I'm not sure which was harder. It's a shame if my time for either were for nothing when these new requirements would make the case for Prop 2. Lack of volunteer work.

I ask you to vote yes on HB 246 in committee.

[Signature]

Jordan Morales
# AGENDA

**SENATE STATE AFFAIRS COMMITTEE**  
10:00 A.M.  
Room WW55  
Monday, April 08, 2019

**NOTE CHANGE OF TIME TO 10 a.m.**

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<td><strong>H 300</strong></td>
<td>RELATING TO HEMP to provide for the interstate transport of hemp.</td>
<td>Representative Caroline Troy</td>
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*If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.*

**COMMITTEE MEMBERS**
- Chairman Lodge  
- Vice Chairman Harris  
- Sen Erickson(Hill)  
- Sen Winder  
- Sen Vick  
- Sen Anthon  
- Sen Souza  
- Sen Stennett  
- Sen McCoy(Buckner-Webb)

**COMMITTEE SECRETARY**
- Twyla Melton  
- Room: WW42  
- Phone: 332-1326  
- email: sstaf@senate.idaho.gov
MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Monday, April 08, 2019
TIME: 10:00 A.M.
PLACE: Room WW55
MEMBERS PRESENT: Chairwoman Lodge, Senators Erickson(Hill), Winder, Vick, Anthon, Stennett, and McCoy(Buckner-Webb)
ABSENT/ EXCUSED: Vice Chairman Harris and Senator Souza

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 10:04 a.m.

H 300 RELATING TO HEMP to provide for the interstate transport of hemp.

Representative Caroline Nilsson Troy, District 5, described H 300 as reflecting some of the language that was in H 122aa. H 300 specifically deals with interstate transportation. The concern has been that, by limiting this bill to transportation, it is not giving any legislative intent to consider looking into the future with hemp and hemp production within the state. Idaho is now one of only two states that don't have any legislative intent for hemp.

Representative Troy explained the bill beginning with the definitions on line 10, page 1. She concentrated on the definition of hemp and what was approved and what was illegal; she then proceeded through the definitions. Referring to line 30 under (a), the first amendment would add the words "or foreign country" after foreign state. The reason for this change is that hemp is lawful in Canada, but it is uncertain if it may cross international borders. This change ensures Idaho has the authority to regulate the transport of hemp from a foreign country through Idaho.

Representative Troy followed through to page 2, line 2, with a suggested amendment that would add "which shall be enforced by the director" at the end of that line. She explained the director would be the only one to recognize the type of pests that would fall under this section. The next amendment would be on page 2, line 34, and would add the following words at the end of (k): "However, the provisions of this section shall not be construed to apply to any material or product derived from hemp that contains no quantity of delta-9 tetrahydrocannabinol concentration, as described in Idaho Code § 37-2705(d)(27), and is not derived from the prohibited parts of the marijuana plant, as provided in Idaho Code § 37-2701(t)." There is concern that H 300, as written, would regulate hemp products that are currently legal. An attempt is being made to ensure any material or product derived from hemp that is currently legal is not regulated by the provisions of this new section. Representative Troy outlined the fourth change to the language in the current bill: on page 2, line 37, insert "civil" before the word "penalties." This addition will ensure that only the fees and civil penalties authorized and collected under the new section are deposited into the Hemp Development Fund; it would not include criminal fines (see attachment 1).
Representative Troy told the Committee that the next change would add a new Section 2. She explained that, as Idaho proceeds forward when the U.S. farm bill is "rolled out," there will be federal guidelines for hemp production. The objective is to make it clear that Idaho continues its primary over these issues. It is suggested to add this legislative intent language, not to change code but to provide some intent that the director of the Idaho State Department of Agriculture (ISDA), in consultation with the Governor and the director of the Idaho State Police (ISP), develop and submit a plan to the U.S. Secretary of Agriculture and allow for the research and production of hemp to the greatest extent allowed under federal regulation (see attachment 1).

Representative Troy described a new Section 3 to be placed in session law, not in code. It is also legislative intent to describe the benefits of hemp, its commercial uses, and why it is important to Idaho and Idaho agriculture. The intent of these two new sections is to authorize a state plan and request that the ISDA and the ISP prepare for the 2020 growing season. These changes are also to make it clear that the Legislature will investigate this issue so it will understand what the plan looks like and what the rules will look like before putting anything into code. The emergency clause will stay in place and make that Section 4 instead of Section 2 (see attachment 1).

Representative Troy discussed in detail the changes in the Statement of Purpose and the fiscal note for this bill (see attachment 2).

DISCUSSION: Senator Winder asked if hemp could be clarified by identifying that as industrial hemp. Representative Troy responded that could be clarified by saying "hemp and industrial hemp."

Senator Anthon said, for the record, the intent of this bill is not to legalize recreational or medical marijuana. Representative Troy answered that this bill does nothing to legalize either of those and hemp cannot be legally grown in Idaho until a state plan is submitted and approved by the USDA.

Senator Stennett questioned the fiscal note and the ISDA responsibilities for this new program, and if they were a part of fabricating these changes. Representative Troy said the Statement of Purpose also has to be corrected because it says ISP is to do the permitting; ISDA does the permitting already. She also indicated they work with the ISDA. They will use the same type of system as the brand inspection system. Senator Stennett said it sounds like ISP will have to do stops and there is nothing in the fiscal note to say what burden that will put on ISP. Representative Troy said ISP already checks trucks coming through the state and also checks for all their permits. This adds just one more permit. Senator Stennett asked why there is nothing to retroactively decriminalize drivers. Representative Troy said hemp is illegal in Idaho and that information is easily accessible.

TESTIMONY: Phil Haunschild, representing the Idaho Freedom Foundation, stated he concurs with the sponsor and recommends that the bill goes to the amending order. The amendments before the Committee will improve the bill. The main concern was the permitting process and that out-of-state drivers had to make a special effort to get a separate permit. He would recommend some kind of reciprocity.

DISCUSSION: Senator Stennett questioned what the fee would be or the difficulty to obtain a permit. Representative Troy said that Idaho already has separate permit fees for commercial vehicles from other states.

Senator Vick inquired about the reason the State Department of Transportation has its own permits. Representative Troy stated the USDA has indicated they expect states to have their own permits.
Senator Winder explained that, from his perspective, the difference is that the states around Idaho grow marijuana. The difficulty in identifying the difference between industrial hemp and marijuana at the roadside is a valid reason for permits and permit fees. Representative Troy agreed. Senator Winder asked if the term "hemp" should be changed to "industrial hemp." Senator Abby Lee, District 9, stated they don't have a problem with the change. Senator Winder referred to line 15 of page 1, and after "hemp," add "commonly known as industrial hemp." Senator Lee responded that others were involved but it probably would not substantially change anything. If that is helpful, they would concur.

MOTION: Senator Vick moved to send H 300 to the 14th Order of Business for possible amendment. Senator Anthon seconded the motion. The motion carried by voice vote.

ADJOURNED: There being no further business, Chairwoman Lodge adjourned the meeting at 10:33 a.m.
Proposed Amendments to HB 300

SECTION 1

1) 67-2920(2)(a) at page 1, ln. 30 insert “or foreign country” after foreign state

Reason: Hemp is lawful in Canada, but it is uncertain if it now may cross international borders or not. This ensures Idaho has the authority to regulate the transport of hemp from a foreign country through Idaho.

2) 67-2920(2)(d) at page 2, ln. 2 insert at the end “which shall be enforced by the director.”

Reason: Only ISDA knows how to enforce the cited chapter; ISP does not.

3) 67-2920(2)(k) at page 2, ln. 34 insert at the end “However, the provisions of this section shall not be construed to apply to any material or product derived from hemp that contains no quantity of delta-9 tetrahydrocannabinol concentration, as described in section 37-2705(d)(27), and is not derived from the prohibited parts of the marijuana plant, as provided in section 37-2701(t).”

Reason: There is significant concern that H.B. 300 and H.B. 122a as written would regulate hemp products that are currently legal. This is an attempt to make sure any material or product derived from hemp that is currently legal is not unwittingly regulated by the provisions of this new section.

4) 67-2920(3) at page 2, ln. 37 insert “civil” before the word penalties

Reason: To add extra assurance that only the fees and civil penalties authorized and collected under the new section are deposited into this fund (and not any criminal fines).

Insert new SECTION 2

Does not create a new code section but is placed in the session law.

LEGISLATIVE INTENT. Because the federal agriculture improvement act of 2018, P.L. 115-334, allows states to have primary regulatory authority over the production of industrial hemp, it is the intent of the Legislature that through the negotiated rulemaking process, and in consultation with the governor and the director of the Idaho state police, the director of the Idaho state department of agriculture shall develop and submit a state plan to the secretary of agriculture by November 1, 2019, or immediately upon the date after which the United States department of agriculture is ready to accept state plans, whichever is later, to allow for the research and production of industrial hemp in Idaho to the greatest extent allowed under federal law. As part of the state plan, the director of the Idaho state department of agriculture, in consultation with the governor and the director of the Idaho state police, shall prepare by rule and submit to
the secretary of agriculture a corrective action plan consistent with the federal agriculture improvement act of 2018.

Insert new SECTION 3

Does not create a new code section but is placed in the session law.

LEGISLATIVE INTENT. Because industrial hemp has numerous commercial uses, has the potential to be an alternate crop, and presents the possibility of creating jobs in production, processing, transportation, and research of industrial hemp in Idaho, the Idaho state department of agriculture and the Idaho state police are authorized to take regulatory action in preparation to allow for the cultivation, growing, and production of industrial hemp in the 2020 growing season to the maximum extent allowed under federal law. Further, the university of Idaho, in fulfillment of its land grant mission, leads the nation in many areas of agricultural research and is encouraged to research and study this burgeoning field.

Reason: (for Sections 2 & 3) The intent of these two sections is to authorize a state plan and request ISDA and ISP prepare for the 2020 growing season of industrial hemp.

Keep the emergency clause as SECTION 4
SOP HB 300

This legislation allows for the Director of the State Department of Agriculture to issue permits for the interstate transportation of hemp, to define terms, to provide for the hemp development fund, to provide intent language for the state of Idaho to have primary regulatory authority over the production of hemp through a negotiated rule-making process.

FISCAL NOTE
One time start-up costs include: $100,000 for the Idaho State Department of Agriculture to coordinate planning efforts with stakeholders such as growers, processors, the Idaho State Police, and others and to contract with experts to develop a US Department of Agriculture-compliant plan with the goal of having a plan approved by the USDA for the 2020 spring growing season; $50,000 for additional IT needs specific to the USDA requirements and other program start-up expenses. As it is unknown to what extent Idaho growers and entrepreneurs will invest in growing and processing hemp, it is anticipated that initial plant and oil samples will be sent to a lab that utilizes approved testing standards. Current and ongoing costs will be offset by grower, transporter and processor fees as determined by rule. Ongoing costs: $150,000 for salary, benefits and operating expenses that includes 1 FTP Ag Program Manager and .5 FTP Ag Investigator Sr. for program planning, coordination, informational sessions, and plan compliance.