

MINUTES
HOUSE STATE AFFAIRS COMMITTEE

DATE: Friday, March 05, 2021

TIME: 9:00 A.M.

PLACE: Room EW40

MEMBERS: Chairman Crane, Vice Chairman Armstrong, Representatives Palmer, Barbieri, Holtzclaw, Monks, Scott, Andrus, Young, Furniss, Hanks, Skaug, Gannon, Mathias

**ABSENT/
EXCUSED:** None

GUESTS: Roger Batt – Lobbyist for Idaho Grape Growers and Wine Producers Commission, Michael Williamson - Owner/Operator, Williamson Orchards, Scott Smith - Idaho Grape Growers and Wine Producers Commission, Earl Sullivan - Owner, Teyela Winery and Chairman, Idaho Grape Growers and Wine Producers Commission, Chad Sandborn - Owner, Wallace Brewing Company, Oliver Schroeder - Hops Producer and Idaho Hop Growers Commissioner, Daniel Love - Mother Earth Brewing Company, Sheila Francis - Executive Director, Idaho Brewers United, Ashley Struble, Moya Dolsby, – Idaho Grape Growers and Wine Commission, Jake Cluff - Association of Idaho Cities, Russell Westerberg and Carson Tester – Westerberg and Associates, David Arkoosh - Idaho Beer Alliance, Jeremy Pisca – Lobbyist, Risch Pisca LC

Chairman Crane called the meeting to order at 9:00 a.m.

Chairman Crane announced **S 1110** will be on the agenda Monday, March 8, 2021. He anticipated a lot of public testimony. He indicated the committee will hear as much testimony as possible and vote on the bill at the meeting.

H 245: **Rep. Troy** presented **H 245** to strengthen Idaho's election laws by prohibiting foreign contributions, independent expenditures and electioneering in Idaho campaigns. These activities are already illegal under federal law but not under state law. This bill would give Idaho the ability to prosecute such violations, regardless of the federal government's action. Rep. Troy indicated contributions from foreign family members would not be legal.

MOTION: **Rep. Gannon** made a motion to send **H 245** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** Rep. Troy will sponsor the bill on the floor.

H 244 AND RS 28736: **Rep. Troy** presented **H 244** and requested permission from the chairman to also present **RS 28736**. Permission was granted. Rep Troy stated her desire to hold **H 244** in committee and introduce **RS 28736**. This proposed legislation clarifies that employees of Idaho public universities or colleges shall not offer extra credit to students to vote or not vote, or to influence a vote for or against a candidate or ballot measure. Clarifications were made to **RS 28736**, in response to recommendations from the committee. Rep. Troy clarified there is nothing in statute prohibiting students to engage in internships offered by political candidates.

In response to questions, **Rep. Troy** said extra credit could not be offered to students to work on a campaign but an internship for college credit is acceptable.

MOTION: **Rep. Gannon** made a motion to **HOLD H 244** in Committee and introduce **RS 28736** and recommend it be sent directly to the second reading calendar. **Motion carried by voice vote.** **Rep. Troy** will sponsor the bill on the floor.

RS 28769: **Alex Kincaid**, Alex Kincaid Law, presented **RS 28769**. This proposed legislation would revise Idaho Code Chapter 33, Title 18, to add Section 18-3315C to be known as the Idaho Small Arms Protection Act. To declare legislative intent, to define small arms necessary for the right of self-defense. To provide the Attorney General the ability to challenge certain law and to provide the right of intervention. **Ms. Kincaid** said this legislation protects the right to keep and bear arms in the State of Idaho, and to clearly set the stage for success in litigation or constitutional challenges that may arise. Through Freedom Laws, states may protect that right to a greater degree.

Alex Kincaid stood for questions. She explained this proposed legislation would protect the right to keep and bear arms, independent of the Second Amendment, and independent of how a federal court might interpret that amendment. She stated the Small Arms Protection Act should not merely be a statement of defiance to the federal government. Instead, the statute should state, as clearly as possible, "This is what Idaho stands for."

Ms. Kincaid said the Right of Intervention means if Idaho's Attorney General does not bring challenge to a federal court ruling, it is a right for someone else to bring a challenge, including the legislature.

Prohibition of enforcement is in respect to not requiring law enforcement to assist in a gun ban. There was concern about someone violating a federal law when a weapon is used in a crime or other violation and law enforcement not being able to act.

MOTION: **Rep. Barbieri** made a motion to introduce **RS 28769**. **Motion carried by voice vote.**

UNANIMOUS CONSENT: **Chairman Crane** requested unanimous consent to remove **RS 28777** from the agenda. There being no objection, consent was granted.

RS 28775: **Rep. Monks** presented **RS 28775**. If an employer required its employees to receive a vaccination, this legislation specifies the employer would assume liability for damages caused from requiring their employees to receive the vaccination.

Rep. Monks stated employees need protection from employers when they are asked to perform certain tasks. Liabilities are accepted. He said if an employee has an adverse reaction the employer should bear responsibility.

In response to questions, **Rep. Monks** stated this legislation was broadly stated to include all Idaho employers, public and private. If an immunization is required, it would be a condition of employment. He said employers would not be prohibited from purchasing an insurance policy to cover injury and damages from immunizations. He clarified liability would be unlimited, up to and including death. **Rep. Monks** said he had not heard of any insurance to cover immunization damages or injury but said sick days would fall under damages.

MOTION: **Rep. Holtzclaw** made a motion to introduce **RS 28775**. **Motion carried by voice vote.**

H 232: **Rep. Holtzclaw** presented **H 232**. This bill would regulate all beer products regardless of alcohol content and change the standard of measurement from alcohol by weight to alcohol by volume to align Idaho law and Federal laws. Over the course of the next three years, this legislation would authorize 5% of tax revenues derived from "strong beer" to be reallocated from the Idaho Grape Growers and Wine Producers Commission to the Idaho Hop Growers Commission. The reallocation would reduce the Idaho Grape Growers and Wine Producers Commission budget and make the Idaho Grape and Wine Commission's budget whole again by increasing the Commission's current percentage of the wine excise tax allocation on wine produced and sold in Idaho.

Rep. Holtzclaw said tax on strong beer should go to the Hops Commission. Currently, close to 50% of wine excise taxes are derived from strong beer sales. This bill simplifies taxes, consolidates regulations into one chapter, and updates regulated language from weight to volume. It keeps the Idaho Grape and Wine Commission whole by allowing them to keep 5% excise tax for out of state wine and up to 88% tax for in-state sales. Rep. Holtzclaw said that the wine and beer industry groups worked together to craft this legislation.

In response to questions, **Rep. Holtzclaw** explained the fiscal note. After three years the Commission would become whole again and this fiscal impact would be net neutral to the general fund.

Roger Batt stood for questions. He explained that the Hops Commission was a casualty of a bill enacted in 1988. Currently, any beer over 4% is considered the same as wine, benefitting the Wine Commission and the wine industry. He said this legislation is not defining wine and beer. The money is needed for marketing purposes

Michael Williamson, Scott Smith and Earl Sullivan, testified in support of **H 232**. They said the Idaho Grape Growers and Wine Producers Commission provides great economic value to the state, providing education and outreach for the Idaho grape and wine industry. If the tax dollars are not back-filled, these services would be hampered, negatively affecting the industry and tourism, related to winery visits. As a result of the Commission's help, Teyela Winery was recognized in the Wall Street Journal and other national publications. This proposal would also bolster the beer industry in Idaho.

Chad Sandborn, Oliver Schreoder, Daniel Love and Sheila Francis testified in support of **H 232**. In drafting this legislation, Idaho Brewers United, took input from their membership at monthly meetings. More than 50 breweries are represented. It was indicated that the Hops Commission will use the money they receive for research and promotion. There is a push to create non-alcoholic drinks using hops. The industry has seen a lot of growth with the popularity of craft beers. Beer contributes millions to the Idaho economy. The Idaho Hop Commission is allowed to promote beer as long as hops are included. Most members of Idaho Brewers United pay between \$250 - \$350 annual dues. Dues are based on the number of barrels of beer produced annually.

David Arkoosh testified in opposition of **H 232**. He said members of the Alliance are family-owned small businesses. Mr. Arkoosh said this legislation does nothing to help the craft beer industry and didn't feel that they were part of the negotiations. He acknowledged that he met with **Chairman Crane, Roger Batt, Sheila Francis and Nate Fisher**, Lobbyist for Idaho Brewers United, prior to the bill hearing.

Jeremy Pisca said he remained neutral on **H 232**. He expressed concern about how the money will be spent once it is collected. 98% of beverages sold in state come through an Idaho Distributor and those taxes are assessed and remitted. He does not want this money to be used to lobby against the regulatory system that members depend upon and hopes Idaho Brewers United will bring forward legislation next year to put that in code.

In closing, **Rep. Holtzclaw** emphasized Idaho is the second largest producer of hops in the United States and 98% of beer producers use hops.

MOTION:

Rep. Barbieri made a motion to send **H 232** to the floor with a **DO PASS** recommendation.

**ROLL CALL
VOTE:**

Roll Call vote was requested. **Motion carried by a vote of 10 Aye and 4 NAY.**
Voting In favor of the motion: **Reps. Crane, Armstrong, Palmer, Barbieri, Holtzclaw, Scott, Hanks, Skaug, Gannon, Mathias.** **Voting in opposition** of the motion: **Reps. Monks, Andrus, Young, Furniss.** Rep. Holtzclaw will sponsor the bill on the floor.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 10:26 a.m.

Representative Crane
Chair

Kelly Staskey
Secretary