

MINUTES  
**HOUSE STATE AFFAIRS COMMITTEE**

**DATE:** Monday, February 27, 2023

**TIME:** 9:00 A.M.

**PLACE:** Room EW40

**MEMBERS:** Chairman Crane(13), Vice Chairman Young, Representatives Palmer, Barbieri, Holtzclaw, Scott, Andrus, Skaug, Alfieri, Allgood, Crane(12), Gannon, Green

**ABSENT/  
EXCUSED:** None

**GUESTS:** The sign-in sheet will be retained in the committee secretary's office; following the end of session the sign-in sheet will be filed with the minutes in the Legislative Library.

**Chairman Crane (13)** called the meeting to order at 9:00 A.M.

**MOTION:** **Rep. Allgood** made a motion to approve the minutes from February 16, 2023, and February 22, 2023. **Motion carried by voice vote.**

**UNANIMOUS  
CONSENT  
REQUEST:** **Chairman Crane (13)** made an unanimous consent request to adjust the order of the agenda to meet schedule needs. There being no objection, the request was granted.

**RS 30435C1:** **Rep. Sauter** presented **RS 30435C1**, proposed legislation to ensure voters are not solicited at public polling places by changing the distance from 100 feet to 300 feet for campaigning materials. Rep. Sauter stated the definitions of polling places' boundaries vary among county clerks. Some measure from the front door while others may measure from the parking lots.

**MOTION:** **Rep. Scott** requested a roll call vote. **Rep. Allgood** made a motion to introduce **RS 30435C1**.

**SUBSTITUTE  
MOTION:** **Rep. Scott** made a motion to return **RS 30435C1** to the sponsor. **Substitute Motion carried by a vote of 9 AYE, and 4 NAY. Voting in favor** of the motion: **Reps. Palmer, Barbieri, Holtzclaw, Scott, Andrus, Skaug, Alfieri, Crane (12)** and **Gannon. Voting in opposition** to the motion: **Reps. Crane (13), Young, Allgood** and **Green.**

**RS 30404:** **Blaine Konzatti** presented **RS 30404**, proposed legislation creating a duty of care for promoters, organizers and performers of sexual exhibitions to take reasonable steps to restrict the access of minors. Mr. Konzatti stated **RS 30404** also prohibits the use of public facilities and assets for such events, however, these events can still take place on private property as long as promoters take reasonable steps to restrict access to children.

**Chairman Crane (13)** put the committee at ease at 9:26 A.M.

**Chairman Crane (13)** resumed the meeting at 9:27 A.M.

**MOTION:** **Rep. Young** made a motion to introduce **RS 30404** with the following changes: On Page 1, Lines 30, 37 and 40, strike "n accompanying" and on Page 2, strike "n accompany." **Motion carried by voice vote.**

**H 197:** **Rep. Barbieri** presented **H 197**, legislation amending how the Legislature addresses the Administrative Rules Review process. Rep. Barbieri stated **H 197** allows a committee to reject a rule an Administrative Rule and allows the Administrative Rule to remain in the committee. It is important the Legislature handles Administrative Rules in the same way they handle laws. Rep. Barbieri expressed **H 197** will reduce the number of Administrative Rules the Legislature is required to review every year.

**MOTION:** **Rep. Palmer** made a motion to send **H 197** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Barbieri** will sponsor the bill on the floor.

**H 190:** **Rep. Ehardt** and **Julie Ellsworth**, Idaho State Treasurer, presented **H 190**, legislation prohibiting banks and credit unions, designated by the Idaho State Treasurer, as depositories for public monies, do not boycott vital industries to Idaho using Environmental, Social and Governance (ESG) criteria. Rep. Ehardt stated depositories must meet existing certification requirements and **H 190** adds another requirement to those certifications. Ms. Ellsworth, stated ESG standards are subjective and grant companies undue influence on public policy. Ms. Ellsworth clarified there are opportunities for banks and credit unions to receive exemptions and there is a 60 day appeals process before the depository status is removed.

**Andy Snook**, General Council and Fair Hearings Division, Attorney General's office, stood in response to committee questions and clarified Page 3, Line 7, "limit commercial relations" is borrowed from existing law and will guard against a partial boycott.

**Jonathan Oppenheimer**, Idaho Conservation League, testified in **opposition** of **H 190**, stating **H 190** will expand the State Treasurer's oversight responsibilities and includes banks doing business outside of Idaho. Mr. Oppenheimer remarked this legislation will be an undue burden on the private sector and prevent lending institutions from properly evaluating all risks.

**Braden Jensen**, testified in **support** of **H 190**. Mr. Jensen stated **H 190** will ensure banks and credit unions do not boycott industries, including agriculture. Farm Bureau participated in stake holder meetings and **H 190** establishes clear policy protecting agriculture and natural resource industries. Mr. Jensen also commented there are reasonable exceptions included in the bill.

**Dave Taylor**, Idaho Rifle and Pistol Association, testified in **support** of **H 190**, stating they strongly oppose any effort to affect the firearms industry.

**Rep. Ehardt** presented closing testimony, stating, ESG and boycotting is real and it is affecting industries in Idaho.

**MOTION:** **Rep. Alfieri** made a motion to send **H 190** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Green** requested to be recorded as voting **NAY.** **Rep. Ehardt** will sponsor the bill on the floor.

**H 189:** **Julie Ellsworth**, Idaho State Treasurer, presented **H 189**, legislation prohibiting public contracts with companies that are boycotting certain industries. Ms. Ellsworth stated **H 189** provides a definition of a public contract and there is an exemption provision which allows for public input in a way it is easily accessible and maintained in the public record.

**Andy Snook**, General Council and Fair Hearings Division, Attorney General's office, stood in response to committee questions clarifying the definition of a contract as defined in the Idaho Procurement Act.

**Jonathan Oppenheimer**, Idaho Conservation League, testified in **opposition** to **H 189**, stating this is misguided action against ESG and will result in destabilizing financial and bond markets, and increase borrowing costs. Mr. Oppenheimer remarked, ESG is good risk management and needs to be addressed at the federal level, not the state level.

**Alex LaBeau**, Idaho Association of Commerce and Industry, testified in **opposition** to **H 189**, stating it is dangerous and unworkable legislation. Mr. LaBeau commented **H 189** creates a new set of burdensome regulations and the Securities and Exchange Commission (SEC) requires industries to participate in ESG. He also shared similar legislation has cost the State of Texas significant money.

**Braden Jensen**, Idaho Farm Bureau Federation, testified in **support** of **H 189**, stating it establishes a clear policy if private companies would like to do business with the state. Mr. Jensen commented **H 189** provides a transparent process and does not tell businesses how to do their business but tells them they will not do business with the State of Idaho.

**Dave Taylor**, Idaho Rifle and Pistol Association, testified in **support** of **H 189** and is against weaponizing financial institutions against gun owners.

**Julie Ellsworth**, Idaho State Treasurer, presented closing testimony, stating **H 189** is not the Texas law. Texas did not have exemption provisions, but **H 189** does have those provisions. She also clarified the SEC has not passed a rule implementing an ESG standard.

**Andy Snook**, General Council and Fair Hearings Division, Attorney General's office, stood in response to committee questions to clarify if an employee unknowingly enters into a contract with a company in violation with **H 189**, the employee/company would have a conflict with state law and the contract would not be able to continue, however, a contracted employee is only required to receive written verification from the company.

**MOTION:** **Rep. Barbieri** made a motion to send **H 189** to the floor with a **DO PASS** recommendation.

**SUBSTITUTE MOTION:** **Rep. Green** made a motion to **HOLD H 189** in committee. **Motion failed by voice vote.**

**VOTE ON ORIGINAL MOTION:** **Motion carried by voice vote. Reps. Gannon and Green** requested to be recorded as voting **NAY**. **Rep. Ehardt** will sponsor the bill on the floor.

**H 191:** **Rep. Monks** presented **H 191**, legislation setting a level playing field for companies and individuals desiring to do business with the State of Idaho. Rep. Monks stated contract awards will be based on criteria the state establishes when asking for the bid.

**Jonathan Oppenheimer**, Idaho Conservation League, testified in **opposition** to **H 191**, stating he has fewer concerns with **H 191** than the previous bills presented, however, some of the language could preclude the rejection of a contract with a band of felons who may be bidding on a contract.

**Braden Jensen**, testified in **support** of **H 191** for the same reasons he stated earlier in the hearing.

**Rep. Monks** presented closing testimony, clarifying, no contract should be awarded based on environment, social or government standards.

**MOTION:** **Rep. Scott** made a motion to send **H 191** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Reps. Gannon and Green** requested to be recorded as voting **NAY**. **Rep. Monks** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 10:54 A.M.

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Representative Crane (13)  
Chair

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Lisa Hendricks  
Secretary