

MINUTES  
**HOUSE STATE AFFAIRS COMMITTEE**

**DATE:** Thursday, March 16, 2023

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

**MOTION:** **Rep. Allgood** made a motion to approve minutes from March 14, 2023. **Motion carried by voice vote.**

**H 314:** **Rep. Crane (12), Senator Cindy Carlson and Blaine Konzatti**, Idaho Family Policy Center, presented **H 314**. Rep. Crane (12) stated **H 314** requires public schools and community libraries take reasonable steps to prevent minors from harmful, obscene material. Rep. Crane (12) clarified this legislation uses common law and the employee is not held liable, however, the library board of trustees or the school board is held liable.

**Senator Cindy Carlson** stated library literary works, or books of scientific value are not prohibited. Sen. Carlson remarked schools are a constitutional institution and students should be protected while in our care and reasonable steps should be taken to keep obscene material from students. Sen. Carlson clarified what obscene material does to a child's mind and the long-term effects.

**Blaine Konzatti**, Idaho Family Policy Center, stated this legislation establishes a duty of care and is defensible in a court of law because it uses the Miller Test. Mr. Konzatti remarked 30 cities in Idaho have at least one library that makes this type of obscene material available to children. Responding to committee questions, Mr. Konzatti stated lawsuits would be filed against public entities and follows the tort claim process which allows for a conversation to occur between the parties.

**Chandler Hadraba** testified in support of **H 314** and displayed material he obtained from the Meridian library and the Hustler store in Boise, in order to demonstrate their similarities and the differences in the steps he took to obtain the material.

**Lance McGrath**, Idaho Library Association, testified in opposition of **H 314**, stating librarians care about children and they do not provide material harmful to minors. Mr. McGrath clarified libraries follow board approved selection policies to ensure quality materials are included in the collection and his association believes parents have a responsibility to guide their children's use of libraries. Responding to committee questions, Mr. McGrath stated his association believes this should be a local issue and libraries do not contain obscene material. Libraries use the Miller Test to analyze literature in order to determine if it meets standards. Mr. McGrath remarked libraries are public institutions and serve all needs within their communities and that is why they have segregated areas such as children, young adult and adult sections.

**Rep. Hill** testified in support of **H 314**, stating he consulted with Emmett and Eagle Library Trustees and they felt this legislation will not impose a significant burden to libraries and the penalties are fair.

**Erin Kennedy**, Intellectual Freedom Chair, Idaho Library Association, testified in opposition of **H 314**, stating libraries do not provide obscene materials and libraries offer materials featuring a wide range of views and ideas to meet the needs of the public. Ms. Kennedy clarified in order to consider the literary work as a whole, all the materials in libraries pass the Miller Test and it is not up to the librarian or the Legislature to decide what children should or should not read.

**Conrad Woodall**, Parents Rights in Education, testified in support of **H 314**, stating pornography is harmful and should never have a place in sex education.

**Patrick Riceci**, Boise Public Library Association, testified in opposition of **H 314**, stating this is a parental control issue and Idaho allows parental control regarding several controversial issues.

**Michael Hon**, testified in support of **H 314**, stating taxpayers have been requesting library trustees remove obscene material but trustees and librarians state there are no obscene materials, even though documentation was provided to the contrary. Mr. Hon remarked he was told by the library to monitor his children in the library to avoid them seeing material he did not approve of.

**Molly Nota**, testified in opposition of **H 314**, stating she has worked in public libraries for almost a decade and trusts librarians, library trustees and school boards to build great library collections. Ms. Nota remarked this legislation takes away liberty from parents to determine what their children read and a lot of empathy can be found in books to make a child feel less alone.

**Ron Nate**, Idaho Freedom Foundation, testified in support of **H 314**, stating based on the testimony he has heard today, he is even more concerned because librarians don't believe the material is harmful. Mr. Nate remarked librarians are entrusted to be good community members and assist parents to protect children and he considers the penalty is not great enough.

**Chris Parri**, Idaho Education Association, testified in opposition of **H 314**

**Rebecca Lemmons**, Boise Public Library Trustee, testified in opposition of **H 314**, stating this legislation is based on subjectivity and there are policies and procedures in place to select materials for a library. Ms. Lemmons remarked, if an individual doesn't like a book, they don't need to check it out.

**Nina Beesley** testified in support of **H 314**, citing the protections established for citizens in the US Constitution and Idaho's Constitution and the Legislature has a responsibility to ensure those protections. Ms. Beesley remarked Kootenai County has done nothing to prevent obscene materials from being distributed.

**Bonnie Shuster** testified in opposition of **H 314**, stating this legislation is a reward for parents to not pay attention to what their children are reading. Ms. Shuster remarked the cost to the library will be great and damages and fees will ultimately be born by taxpayers.

**Rep. Crane (12)** presented closing testimony, stating existing law has been incorporated into the bill and many of the previous concerns have been addressed. Rep. Crane remarked he met with librarians and feedback was received from librarians and others, however, librarians do not agree with the penalty included in **H 314**.

**MOTION:**

**Rep. Holtzclaw** made a motion to send **H 314** to the floor with a **DO PASS** recommendation.

**In support** of the motion, **Rep. Holtzclaw** stated he views this legislation as a protection bill for children. **Rep. Alfieri** stated the lack of community action is why this bill exists.

**In opposition** of the motion, **Rep. Green** stated several of the issues addressed in **H 314** currently exist in statute and she has some concerns regarding the definitions included in the legislation. Rep. Green expressed librarians do a good job to restrict access to minors and she fears this may entice more threats against librarians. **Rep. Gannon** disagrees with the penalties included in this legislation and believes, in order to avoid legal fees, a grievance process should be included.

**SUBSTITUTE MOTION:**

**Rep. Gannon** made a substitute motion to send **H 314** to General Orders.

**ROLL CALL VOTE ON SUBSTITUTE MOTION:**

Roll call vote was requested. **Substitute Motion failed by a vote of 2 AYE and 11 NAY. Voting in favor** of the motion: **Reps. Gannon and Green. Voting in opposition** to the motion: **Reps. Crane (13), Young, Palmer, Barbieri, Holtzclaw, Scott, Andrus, Skaug, Alfieri, Allgood and Crane (12).**

**ROLL CALL VOTE ON ORIGINAL MOTION:**

Roll call vote was requested. **Original Motion carried by a vote of 11 AYE and 2 NAY. Voting in favor** of the motion: **Reps. Crane (13), Young, Palmer, Barbieri, Holtzclaw, Scott, Andrus, Skaug, Alfieri, Allgood and Crane (12). Voting in opposition** to the motion: **Reps. Gannon and Green.**

**S 1120:**

**Sen. Guthrie** presented **S 1120**, legislation to regulate liquor-by-the-drink licenses. Sen. Guthrie stated, Idaho uses the "quota system" to regulate the density of this type of liquor license to adhere to the principals in the Idaho Constitution. Sen. Guthrie gave an overview of the problems unintentionally created by the current system, such as a speculative market for licenses, resulting in a \$750 license becoming worth \$250K - \$350K. Sen. Guthrie stated this legislation will end the speculative opportunity for licenses issued after July 1, 2023, because the transfer option will no longer be available. Since license holders may have a significant investment in their license, **S 1120** will allow the owner to sell their license one time and thereafter, those licenses will also become non-transferable.

**Matt Baker** testified **in opposition** of **S 1120**, stating as a business owner and developer in Eagle, he has spent hundreds of thousands of dollars acquiring liquor licenses for business development and this legislation will severely harm existing license holders economically.

**Roger Batt**, FARE Idaho, testified **in opposition** of **S 1120**, stating their members view this legislation negatively because it would be significantly harming their businesses. Mr. Batt stated they agree with this legislation except for a small portion and would like to offer an amendment to **S 1120**. Mr. Batt remarked there has not been enough studies completed to determine what the ramifications will be.

**Jeremy Pisca's**, Hagadon Corporation and Idaho Beer and Wine Distributors Association, testimony was neutral. Mr. Pisca testified the quota system is not evil, alcohol should be regulated and connecting licenses to a city's population make sense. Mr. Pisca remarked the unfortunate by-product of the existing license process has been the speculative market with some permits selling for as high as \$500K.

**Sen. Guthrie** presented closing testimony on **S 1120**, stating a liquor license is not an asset and courts have ruled licenses may be removed at any time. Sen. Guthrie remarked most banks do not recognize a liquor license as an asset. Responding to committee questions, Sen. Guthrie stated by eliminating the leases, it will make more licenses available to small businesses and additional reform needs to take place.

**MOTION:**

**Rep. Barbieri** made a motion to send **S 1120** to General Orders.

**In support** of the motion, **Rep. Barbieri** stated a portion of the problem is because the state has treated these licenses as an asset and it is necessary to add an amendment to allow the property owners additional time to work through the leases. **Rep. Gannon** stated government set up this program and the Legislature has the responsibility to clean up the process, but to also be fair to the current license holders.

**In opposition** to the motion, **Rep. Green** stated this problem needs to be addressed now and not in 20 years as the amendment suggests.

**SUBSTITUTE MOTION:**

**Rep. Young** made a substitute motion to send **S 1120** to the floor with a **DO PASS** recommendation.

**In support** of the motion, **Rep. Young** stated now is the time to make changes to the liquor licensing laws and waiting 20 years will only continue to worsen the problem.

**VOTE ON SUBSTITUTE MOTION:**

**Chairman Crane (13)** called for a vote on the Substitute Motion to send **S 1120** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Manwaring** will sponsor the bill on the floor.

**ADJOURN:**

There being no further business to come before the committee, the meeting adjourned at 10:07 A.M.

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Representative Crane (13)  
Chair

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Lisa Hendricks  
Secretary