

MINUTES  
**SENATE STATE AFFAIRS COMMITTEE**

**DATE:** Wednesday, February 10, 2016

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

**PLACE:** Room WW55

**MEMBERS PRESENT:** Chairman McKenzie, Vice Chairman Lodge, Senators Davis, Hill, Winder, Siddoway, Lakey, 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:** **Chairman McKenzie** called the Senate State Affairs Committee (Committee) to order at 8:05 a.m. with a quorum present.

**VOTE ON GUBERNATORIAL APPOINTMENTS:** The reappointment of Rayelle Anderson to the Idaho Bingo-Raffle Advisory Board .  
The reappointment of Joe B. McNeal to the Idaho Commission on Human Rights.

The reappointment of Kevin Coyne Settles to the Idaho Commission on Human Rights.

**MOTION:** **Senator Siddoway** moved to send the Gubernatorial reappointments of Rayelle Anderson to the Idaho Bingo-Raffle Advisory Board, Joe B. McNeal to the Idaho Commission on Human Rights and Kevin Coyne Settles to the Idaho Commission on Human Rights to the Senate floor with the recommendation that they be confirmed. **Senator Buckner-Webb** seconded the motion. The motion carried by **voice vote**.

**RS 24297** RELATING TO ELECTIONS to provide for electronic registration.

**Chairman McKenzie** introduced Secretary of State Lawrence Denney, who explained **RS 24297** as legislation authorizing the Secretary of State's office to build and implement an online voter registration system. He explained that online registration would require a valid driver's license or state identification card that conforms to Idaho Code § 34-411; it would also require the registrant to affirm the accuracy of the information under oath. **Secretary Denney** further explained that a digital copy of the signature found on the ID card or driver's license would be verified by the county clerk. He recounted the history of online registration across the country in different states and listed the benefits: greater accuracy, lower cost and less time-consuming.

**Chairman McKenzie** voiced support of **RS 24297** and characterized online registration as more secure and less time-consuming.

**MOTION:** **Senator Davis** moved to send **RS 24297** to print. **Senator Lodge** seconded the motion.

**Senator Buckner-Webb** questioned whether an online system would preclude registering at the polls. **Secretary Denney** replied there would still be registration at the polls but hoped that the number would be less due to online registration. He explained that the online registration cutoff date prior to elections could be much closer than the registration at the polls.

**Senator Stennett** questioned Secretary Denney about the privacy of the online service. **Secretary Denney** affirmed that security would be maintained and security concerns were the reason that online registration would not be instantaneous.

The motion carried by **voice vote**.

**RS 24408**

RELATING TO THE RACING COMMISSION to direct the Commission to make certain payments to the Idaho Horse Council under specified conditions.

**Senator Rice**, District 10, explained that **RS 24408** clarifies the process for the payment of funds from the Racing Commission to the Idaho Horse Council. He said **RS 24408** specifies that funds be used only for youth equine education and promotion of equine-related youth development programs and that the funds would be held in a separate account subject to audit.

**MOTION:**

**Senator Siddoway** moved to send **RS 24408** to print. **Senator Buckner-Webb** seconded the motion. The motion carried by **voice vote**.

**RS 24446**

RELATING TO ELECTION CAMPAIGN CONTRIBUTIONS AND EXPENDITURES to require reporting in all state/local elections and ballot measures.

**Senator Souza**, District 4, explained that **RS 24446** relates to election campaign disclosure. She detailed the requirements for state candidates and ballot measures to disclose campaign finances that are not required at the local level. **Senator Souza** explained that **RS 24446** would standardize all elections, whether state or local. She explained that the electorate would have full disclosure as to special interest groups' intentions during all elections and ballot measures. **Senator Buckner-Webb** questioned whether local entities could handle the additional responsibility associated with campaign-finance reporting. **Senator Souza** explained that procedures are already in place on the state level; those could be easily used by the local entities with the addition of a second disclosure page. **Senator Buckner-Webb** asked for clarification of the fiscal note. **Senator Souza** explained that during the election season, additional staffing may be required; that would vary by county. **Senator Lakey** told about a local library district that saw the need for this legislation in a previous library bond election.

**MOTION**

**Senator Lakey** moved to send **RS 24446** to print. **Senator Winder** seconded the motion. The motion carried by **voice vote**.

**H 362**

RELATING TO RETAIL SALE OF LIQUOR BY THE DRINK to revise the definition of "person" to reflect a current definition of the word "person" contained in the Uniform Commercial Code.

**Russell Westerberg**, representing the Idaho Licensed Beverage Association, explained that **H 362** would change the definition of "person" in Idaho Title 23-902. He explained that the current definition of "person" in context of someone holding a liquor license was adapted before the advent of legal entities that exist today, such as Trusts, Limited Liability Corporations (LLC), Estates. The new definition of "person" includes those aforementioned entities and is not intended to increase the number of people who may hold a liquor license. **Mr. Westerberg** explained that legal cases have been dismissed due to the ambiguity of the definition of "person" relating to liquor licenses. **Senator Hill** referenced line 26 on page 2 and questioned the codifying of the words "or commercial," indicating that possibly an illegal commercial entity would be covered. **Mr. Westerberg** referred to the deputy attorney general for explanation. **Senator Davis** wondered why the rewrite of the Uniform Business Organization Code (UBOC) definition of "person" wasn't used in this legislation. **Mr. Westerberg** deferred answering Senator Davis' question to others scheduled to testify.

**Russ Wheatley**, Bureau Chief, Alcohol Beverage Control, spoke in favor of **H 362**. He explained that in Idaho Code 23, Chapter 9, there are references to "persons" that are not liquor license holders and pointed out several examples. He clarified that Idaho Code § 23-934 defines an unlicensed room as unlawful. That section is used to enforce liquor on a premise that is not licensed. If Idaho Code § 23-934 is read in concert with the current definition of "persons," there is confusion. The UCC definition has been used in other sections of Idaho Code to deal with business entities.

**Senator McKenzie** offered to have Deputy Attorney Ken Robins answer questions previously posed by Senator Davis and Senator Hill. **Ken Robins**, Deputy Attorney General, indicated that his duties include advising the Bureau of Alcohol Beverage Control (Bureau). He voiced his support of **H 362** and enumerated the difficulties local prosecutors have in the enforcement of the unlicensed room statute in § 23-934. He said that Idaho Code has not kept up with the business entities that can own a liquor license and indicated that the wording used in **H 362** was not exactly that of the UCC, but provides a list of business entities capable of holding a liquor license. There are business organizations that had a filing with the Secretary of State but their corporate documents have lapsed. There is a need to encompass those entities as viable business entities under the law.

**Senator Hill** asked about the difference between a legal entity and a commercial entity. **Deputy Attorney Robins** said that it may be intended to encompass something that has not been expressly provided for in current law. He explained circumstances where an entity's license could have lapsed for a variety of reasons that were beyond the agency's control, resulting in a possible loss of its liquor license. **Deputy Attorney Robins** further explained that the Bureau attempts to help the entities rectify the lapse and regain eligibility to maintain the liquor license. Discussion ensued between **Senator Davis** and **Deputy Attorney General Robbins** concerning the definition of "person" and which entities ought to be included in that definition.

**Senator Siddoway** stated his concern with entities in violation of liquor laws. **Deputy Attorney Robins** clarified procedures used when liquor licenses are renewed.

**MOTION:**

**Senator Davis** moved to send **H 362** to the 14th Order of Business for possible amendment. **Senator Winder** seconded the motion. The motion carried by **voice vote**

**MINUTES APPROVAL:**

**Senator Stennett** moved to approve the Minutes of January 22, 2016. **Senator Winder** seconded the motion. The motion carried by **voice vote**.

**MINUTES APPROVAL:**

**Senator Hill** moved to approve the Minutes of January 27, 2016. **Senator Davis** seconded the motion. The motion carried by **voice vote**.

**ADJOURNED:**

There being no further business, **Chairman McKenzie** adjourned the meeting at 8:55 a.m.

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Senator McKenzie  
Chair

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Twyla Melton, Secretary

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Assisted by Marian Smith