

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, March 07, 2019

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Patrick, Vice Chairman Agenbroad, Senators Martin, Lakey, Guthrie, Thayn, Ward-Engelking, and Burgoyne

ABSENT/ EXCUSED: 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: **Chairman Patrick** called the meeting of the Senate Commerce and Human Resources Committee (Committee) to order at 1:40 p.m.

Chairman Patrick announced several members would be coming and going due to various committee pictures being taken.

MINUTES APPROVAL: **Senator Burgoyne** moved to approve the Minutes of February 26, 2019. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

S 1073

Relating to Underground Facilities Damage Prevention. Jeffrey Diehl, Engineered Structures, Incorporated (ESI) employee and Chairman, Idaho Damage Prevention Board (IDPB), reported Idaho Code § 55-2205(2) requires underground facility owners to locate and mark all underground facilities in the State of Idaho. Some underground facility owners are also end user consumers of utility services or commodities. Service laterals are underground facilities located in public rights-of-way or utility easements. **Mr. Diehl** pointed out that end users do not have operational control of locational knowledge of, or the expertise or equipment to locate or mark service laterals, despite owning them, because the laterals are in rights-of-way or utility easements. This legislative proposal will exempt end users from the requirement to locate and mark service laterals. This legislative proposal will also require underground facility owners have the ability to locate and mark service laterals. If disputes arise about liability or damages, other sections of code would apply. This bill does not address these issues.

DISCUSSION: **Chairman Patrick** remarked he wanted the Committee to have a clear explanation of this bill and thanked Mr. Diehl for his presentation.

Senator Thayn queried what the definition of a service lateral had to do with water. **Mr. Diehl** confirmed that service laterals addressed in the bill involved water laterals including stormwater sewer laterals.

Senator Burgoyne stated he thought he might need to make a Senate Rule 39(H) disclosure. He has a relative who works for ESI and it seemed appropriate to make the disclosure.

TESTIMONY: **Wayne Hammon**, Idaho Associated General Contractors, testified in support of this bill. He stated that currently, no one is marking underground laterals and that there is a likelihood of these facilities being hit if not marked.

Jennifer Visser, Idaho Power, testified in support of this bill.

DISCUSSION: **Senator Thayn** questioned **Ms. Visser** about her interest in this bill. **Ms. Visser** reported that all of the utilities are working in the right-of-way and it is advantageous for all to be responsible for marking underground laterals.

MOTION: **Senator Guthrie** moved to send **S 1073** to the floor with a **do pass** recommendation. **Senator Burgoyne** seconded the motion. The motion carried by **voice vote**.

S 1138 **Relating to Electrical Contractors and Journeymen.** **Marty Durand**, Idaho Building Trades (IBT), remarked the purpose of this proposed legislation is to allow qualified electricians to work in Idaho under a provisional license, until they are able to take and pass the journeyman electrician's examination.

Ms. Durand stated there is no fiscal impact to the General Fund because this provisional license assists newcomers from out of state to fill needed jobs.

Ms. Durand reported **S 1138** is the result of compromise. The IBT has worked with the Idaho Association of Commerce and Industry (IACI) and the Association of General Contractors (AGC) in finding a way to meet the needs of industry, while still maintaining high standards for licensed electricians and protecting public safety. When an out-of-state electrician wants to work in Idaho and their journeyman license is not reciprocal, they have to sit for and pass the journeyman exam before they can go to work as a journeyman. **Ms. Durand** affirmed this bill would allow that electrician to work until they can take the exam.

Ms. Durand explained the changes the bill addressed and pointed out a provisional journeyman can do the same work as a journeyman, with one exception. A provisional journeyman cannot supervise apprentices. Only a licensed journeyman can provide on-the-job training and supervision for apprentices. A provisional journeyman must work under the supervision of a licensed journeyman. She noted the requirements for a provisional license. The person must meet the requirements of Idaho Code § 54-1007(4), which is four years out-of-state work experience or four years working as an apprentice. **Ms. Durand** cautioned the Committee that **S 1008** changes this requirement to 16,000 hours on the job, whether in or out of state. **Ms. Durand** remarked these are the people that can apply for a provisional license. She stated a provisional journeyman can take the journeyman exam, and if they pass, they are a journeyman. The duration of a provisional license is six months. In that six months, the provisional journeyman must take and pass the journeyman exam. If they do not, there is one six-month renewal. The exam must be passed within one year.

Ms. Durand reported this bill is designed to get qualified electricians on the job and working while they prepare for and take the journeyman electrical examination. The proposed amendment is to address a concern and clarify that an in-state electrician who has worked 16,000 hours does not have to become a provisional journeyman to continue working. They may become a provisional journeyman, if they apply. If they do not apply, that person can keep working as an apprentice, or sit for the journeyman exam.

Ms. Durand explained and quoted the amendment on page 4, line 10, Provisional Journeyman Electrician. She explained that any person who has met the requirements and who wished to perform the actual physical work of installing electrical wiring or equipment to convey electric current, while under the constant on-the-job supervision of a qualified journeyman electrician, shall be known as a provisional journeyman.

TESTIMONY: **John Eaton**, Idaho Association of Commerce and Industry, testified in support of this bill. He remarked Idaho has reciprocity with some states, but California does not have the same type of license. In order for journeymen to work, they have to register as an apprentice until they can pass the test. This bill is a big benefit to modern manufacturing as electricians have to take care of those highly automated areas. The bill also allows a higher wage scale for a provisional journeyman which is a higher scale than an apprentice.

Chris Jensen, Administrator, Idaho Division of Building and Safety (IDBS), testified in opposition to the bill. He remarked the bill was not vetted through industry and not voted on by the Idaho Electrical Board.

MOTION: **Senator Guthrie** moved to send **S 1138** to the 14th Order of Business for possible amendment. **Senator Ward-Engelking** seconded the motion.

Senator Guthrie stated Idaho has to move quickly to keep pace with business and the demands of industry. **Senator Burgoyne** mentioned he was in support of the bill.

VOICE VOTE: The motion to send **S 1138** to the 14th Order of Business for possible amendment carried by **voice vote**.

H 112 **Relating to Insurance - Amending Existing Law.** **John Mackey**, United Heritage Financial Group, stated this legislation is intended to update certain sections of the Idaho Insurance Code dealing with investment and reporting requirements for domestic insurers and bring them in line with current day investment and economic conditions. The amendments to Idaho Code § 41-705 clarify the disclosure requirements regarding an officer or director's investments and adds a limited disclosure exemption for certain investments commonly found in 401(k) or other retirement accounts. The amendments to Idaho Code § 41-728 update and provide clarification regarding investment allowances for land and buildings used for home office purposes. The amendments to Idaho Code § 41-735 adjust the allowable investment levels for miscellaneous investments to bring them in line with most states.

Mr. Mackey stated there is no fiscal impact to the General Fund or any other state fund or expenditure. This legislation merely updates language to certain code provisions relating to investment restrictions and reporting requirements for domestic insurance companies.

Mr. Mackey reported he has met with the Idaho Department of Insurance (IDOI) on numerous occasions regarding this legislation and the IDOI has provided suggestions and input, which were incorporated into this bill. In addition, the Idaho Insurance Guaranty Association and the Idaho Life and Health Insurance Guaranty Association have reviewed this bill and there is no opposition.

Mr. Mackey gave an overview of the changes in the bill, specifically, the requirements for the insurer to maintain permanent records of all investments and loans, real estate investments, and miscellaneous investments.

PASSED THE GAVEL: Chairman Patrick passed the gavel to Vice Chairman Agenbroad.

MOTION: **Senator Lakey** moved to send **H 112** to the floor with a **do pass** recommendation. **Senator Thayn** seconded the motion. The motion carried by **voice vote**.

**GUBERNATORIAL
APPOINTMENT
HEARING:**

The Gubernatorial appointment of Jani Revier of Meridian, Idaho, Director Idaho Department of Labor (IDOL), term commencing January 7, 2019 and serving at the pleasure of the Governor. **Ms. Revier** said she is a fifth generation Idahoan, born and raised on a ranch in southern Idaho. She grew up in a family that recognized the importance of public service and has devoted her career to serving in state and federal government.

Ms. Revier gave an overview of her background. **Ms. Revier** stated her work experience and desire to serve the people of Idaho make her well-qualified for the position. In her short time at the IDOL, **Ms. Revier** commented she has quickly grown to appreciate the agency employees who are working every day to make a difference. There is a long list of tremendous projects and life-changing initiatives underway. She gave a quick overview of programs, challenges, and opportunities at the IDOL.

Ms. Revier noted the IDOL administers the Unemployment Insurance program that provides benefits to workers who lose their jobs through no fault of their own and meet eligibility requirements. The IDOL also provides assistance to job seekers and Idaho employers through local offices; administers programs such as State Wage and Hour, Disability Determinations Services, Serve Idaho, Service to Veterans, and Foreign Labor Certification; provides research and analysis; and houses many more important functions that are too numerous to mention.

Ms. Revier outlined some of the exciting opportunities at the IDOL, such as Apprenticeship Idaho, and a federal grant to help Idaho businesses develop customized training programs specific to local needs. Since receiving funding from the U.S. Department of Labor in 2014, Apprenticeship Idaho is responsible for creating more than 160 registered apprenticeship programs in nontraditional industries, such as health care, information technology, advanced manufacturing, transportation, and energy. The IDOL was also recently awarded a three-year federal grant for a state-operated Job Corps experimental project. The IDOL will partner with the College of Western Idaho to serve 150 students annually in the Treasure Valley and expand the program to serve an additional 150 students at other community colleges throughout the state during years two and three. **Ms. Revier** remarked it is not an exaggeration to say this pilot project has made Idaho the envy of many other states.

Ms. Revier pointed out that Idaho's economy continues to be one of the strongest in the nation. While this is all great news, it presents some unique challenges for the IDOL. The IDOL's funding is counter-cyclical. When the economy is weak, federal funds to pay benefits and help people find work increase. Conversely, when Idaho's economy is doing well, federal funding declines. Because of the strong economy, the IDOL has experienced seven straight years of budget cuts for a 47 percent decrease in funding. Federal funding is expected to further decline in the coming fiscal year. The IDOL must find the balance of working within budget constraints and still delivering a quality and timely product. At the same time, the IDOL wants to insure they have the ability to ramp up quickly when the next recession occurs so they can provide unemployment insurance benefits and employment assistance to the citizens of Idaho.

Ms. Revier commented she looked forward to the challenges and opportunities ahead and she intends to keep working to make Idaho an even better place to live and work.

DISCUSSION:

Senator Lakey and **Ms. Revier** discussed her previous job as compared to this job. **Ms. Revier** reported the Idaho Division of Financial Management (IDFM) is more of an inward-facing agency and the IDOL is an outward-facing agency with a definite constituency. She remarked she was looking forward to the opportunity to work in an agency where there is interaction with the public.

Senators Martin and **Burgoyne** thanked Ms. Revier for her service and stated they were in support of her confirmation. **Senator Burgoyne** remarked Ms. Revier has the proper vision and is a very strong manager.

Vice Chairman Agenbroad announced that a quorum was no longer present. **Senator Martin** stated, however, pursuant to Senate Rule 20(A), business may continue. There were no objections.

**GUBERNATORIAL
APPOINTMENT
HEARING:**

The Gubernatorial appointment of Kelley Packer of McCammon, Idaho, Bureau Chief, Idaho Bureau of Occupational Licenses (IBOL), term commencing January 7, 2019 and serving at the pleasure of the Governor. **Ms. Packer** gave a brief overview of her career. She stated her schooling was focused around business management and marketing. She has managed many different businesses. Her family taught her not to complain unless she had a solution for the issue. In 2008 she was elected to the McCammon City Council. She served as a Representative for six years and was a member of the Your Health Idaho (YHI) Board. **Ms. Packer** has served on many boards. She is grateful for the employees at the IBOL who are amazing, dedicated people. **Ms. Packer** commented she is organized and a hard worker.

**PASSED THE
GAVEL:**

Vice Chairman Agenbroad passed the gavel back to Chairman Patrick.

DISCUSSION:

Senator Martin questioned whether there would be changes in the administrative rules process and asked for her opinion. **Ms. Packer** clarified that both bodies of the Legislature have to pass all rules. **Ms. Packer** remarked that when rules are addressed, questions and concerns need to be addressed. Sometimes things are brought up that are a surprise. **Ms. Packer** reported that the House or Senate may not pass a rule because of some concerns that were brought up after testimony was closed. She stated concerns should be openly addressed and thoughts shared.

Vice Chairman Agenbroad commented that Ms. Packer has demonstrated what he admires most and that is she is a thoughtful and a very strong director.

Senator Guthrie agreed with Vice Chairman Agenbroad. He remarked that Ms. Packer had the courage to face and deal with issues.

ADJOURNED:

There being no further business at this time, **Chairman Patrick** adjourned the meeting at 2:32 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary