

MINUTES
HOUSE BUSINESS COMMITTEE

DATE: Monday, March 21, 2022

TIME: 1:30 p.m. or upon adjournment

PLACE: Room EW41

MEMBERS: Chairman Dixon, Vice Chairman Furniss, Representatives Crane, Palmer, Barbieri, Armstrong, DeMordaunt, Clow, Andrus, Nichols, Adams, Bundy, Ferch, Galloway, Mitchell, Shepherd, Berch, Green

**ABSENT/
EXCUSED:** Reps. Dixon, Bundy, Green

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

Vice-Chair Furniss called the meeting to order at 1:31 p.m.

MOTION: **Rep. Galloway** made a motion to approve the meeting minutes from March 17, 2022. **Motion carried by voice vote.**

S 1405: **Sen. Vick** presented **S 1405**. This legislation further clarifies public entity investment activities. It defines disfavored investments and requires notification to the public entity if an investment agent adopts a policy related to disfavored investments. It clarifies proxy votes belong to the public entity, shall be exercised in the best interest of the entity or the beneficiary, and available to the public.

Sen. Vick said this bill effects the Treasurer's office, PERSI, and the Endowment Board, among others. The State of Idaho has over \$11 billion in investments. He stated most votes related to investments are cast by proxy. It is critical for Idaho boards to submit their own proxy votes to insure investments are in line with Idaho values. These votes can greatly change the face of a company. Twenty-five (25) of the largest investment fund companies count for 82% of investor votes. Idaho should not give its votes away to a fund manager from a big investment firm.

In response to committee questions, **Sen. Vick** clarified the terms "could override" versus "would override". He stated there needs to be some flexibility. The bill makes it clear Idaho needs to vote its own proxies.

MOTION: **Rep. Palmer** made a motion to send **S 1405** to the floor with a **DO PASS** recommendation.

During committee discussion, **Rep. Berch** stated he would not support the motion because he does not see a current problem. **Rep. Crane** said he will support the motion because if there is a potential for a problem, the legislature would be derelict for not addressing the issue.

**ROLL CALL
VOTE:** Roll call vote was requested. **Motion carried by a vote of 14 Aye, 1 Nay, 3 absent/excused.** Voting in favor of the motion: **Reps. Furniss, Crane, Palmer, Barbieri, Armstrong, DeMordaunt, Clow, Andrus, Nichols, Adams, Ferch, Galloway, Mitchell, Shepherd.** Voting in opposition of the motion: **Rep. Berch.** **Reps. Dixon, Green, Bundy were Absent/Excused.** **Rep. Dixon** will sponsor the bill on the floor.

S 1368: **Rep. DeMordaunt** presented **S 1368**. This legislation is a terminology clean-up bill consistent with the Occupational Licensing Reform Act passed by the Idaho legislature in 2020. The reform bill created a new process for how licensing boards consider and evaluate an applicant's past criminal conviction in Chapter 94, Title 67, Idaho Code.. The 2020 bill removed licensure denials on the basis of vague or generic terminology related to a criminal conviction, including "moral turpitude" or "moral character." The bill reduces confusion and conflict in law by updating all Idaho Division of Occupational and Professional Licensing (DOPL) boards and commission statute references in alignment with Chapter 94, Title 67, Idaho Code.. The bill will create clear direction for licensing boards when considering applications.

In response to committee questions, **Kate Haas**, Lobbyist representing Opportunities Solutions Project (OSP), said the bill ties language together with the Occupational Licensing Reform Act so terminology is consistent in Title 67 and Title 54. She stated OSP worked with DOPL to ensure criteria is clear and there is no question about intent when there is a review involving criminal conviction. Generally, instead of removing language, clarifying language was added.

In closing, **Rep. DeMordaunt** said **S 1368** will provide needed clarity for boards.

MOTION: **Rep. Shepherd** made a motion to send **S 1368** to the floor with a **DO PASS** Recommendation. **Motion carried by voice vote.** **Rep. DeMordaunt** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:04 p.m.

Representative Dixon
Chair

Kelly Staskey
Secretary