

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Wednesday, February 03, 2016

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Hartgen (Hartgen), Vice Chairman Anderson, Representatives Harris, Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph

**ABSENT/
EXCUSED:** None

GUESTS: Brenda Ceja, Josh McKenna, Larry Ingram, Joanna Henry, Michael Johnson, Idaho Department of Labor; Megan Hill, Ragan Minor, Megan Ronk, Idaho Department of Commerce

Vice Chairman Anderson called the meeting to order at 1:30 P.M.

H 396: **Josh McKenna**, Benefits Bureau Chief, Idaho Dept. of Labor, presented **H 396**. This legislation will change the current Statute 72-1368(5) to allow the department requesting information to be considered delivered and complete when the department sends documents to the last known address or e-mail address of the claimant.

In response to committee questions, **Mr. McKenna** explained that when a person files a claim for benefits they chose a preferred contact method which they can change at any time, and if the department receives a returned piece of mail or a bounced back e-mail the department would use other methods available to contact the individual.

MOTION: **Rep. Rudolph** made a motion to send **H 396** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Packer** will sponsor the bill on the floor.

H 397: **Larry Ingram**, Compliance Bureau Chief, Idaho Department of Labor, presented **H 397**. This legislation will amend the Employment Security Law. These amendments are requested to make the notice provision for determinations and other important actions by the department consistent throughout the Employment Security Law. Directing the notice requirements to one statute is beneficial because if a law requires a change in a notice requirement of the Employment Security law the changes can be made to all affected statutes by only amending one statute.

In response to committee questions, **Mr. Ingram**, explained the 14 days on the appeals process is standard in all protest rights, the reason it was not included in 72-1349 (1) was an oversight by the department which this legislation is correcting to make consistent with the rest of the legislation.

MOTION: **Rep. Packer** made a motion to send **H 397** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Packer** will sponsor the bill on the floor.

Megan Ronk, Director, Idaho Dept. Of Commerce, presented the Idaho Commerce Annual Report. When our Governor took office he launched project 60 and the goal was to hit \$60 Billion in GDP. This goal was reached a year ago and as a result we launched the next phase of our economic strategy, Accelerate Idaho. This program is the departments commitment to being a national and global leader for economic growth and prosperity. There are three areas of focus for this project which are advancing individuals, elevating industries, and build strong communities.

Idaho exports are declining. Major factors that are affecting Idaho's exports are semi conductors. The global supply and demand for this item as well as the price fluctuations have had an impact on Idaho's semi conductors exports. Mining specifically for gold and silver has had a dramatic decline, reducing Idaho exports by over \$372 million.

Tourism in Idaho has been rising, the 2% lodging tax has had an 8% growth in 2015, and over a 13% growth in this last quarter. Vacancy rates are very low and average daily rates are increasing. Half of the lodging tax money is used to market Idaho as a tourist destination, and the other half goes back to local communities in the form of a grant program.

The Idaho Global Entrepreneurial Mission program's goal is to commercialize new technology by promoting research partnerships between universities and the private sector. One million dollars is granted for these commercialization grants and in 2016 they are almost fully committed.

Idaho Opportunity Fund was established to allow the Idaho Department of Commerce a tool that when negotiating with clients they would have the ability to award a performance based grant to help with infrastructure needs for an expansion.

The State and the Idaho Department of Commerce will often take the lead when a project is looking at a competitive expansion throughout the state. The tax reimbursement incentive has been a game changer for this in Idaho. This makes a major difference in the Department's ability to encourage business growth and expansion. In 18 months the Economic Advisory Council who ultimately approves these projects has approved 25 projects which is estimated to create 4,138 jobs, and has an anticipated revenue back to the state of over a 400% return on investment. Of the 25 projects approved to date, thirteen are existing Idaho companies that are leveraging the Idaho tax reimbursement incentive to attract new capital invest to their businesses. Fourteen of the approved projects are in rural communities. The maximum award when receiving this tax credit was to receive up to a 30% refundable tax credit on all payroll income and sales taxes for up to 15 years. The Department of Commerce is pleased to report they are only putting in the minimum amount possible to make these projects a reality, averaging 21% for 9 years, which is significantly less than the maximum allowable.

ADJOURN

There being no further business to come before the committee, the meeting was adjourned at 2:25 P.M.

Representative Anderson
Vice Chair

Chelsea Cantrell
Secretary