

MINUTES
HOUSE BUSINESS COMMITTEE

DATE: Thursday, February 29, 2024

TIME: 1:30 PM or Upon Adjournment

PLACE: Room EW41

MEMBERS: Chairman Clow, Vice Chairman Crane(12), Representatives Crane(13), Palmer, Barbieri, Dixon(1), Andrus, Furniss, Mitchell, Cornilles, Ehlers, Lanting, Petzke, Redman, Berch, Green, Rubel

**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 Clow called the meeting to order at 1:43 p.m.

MOTION: **Rep. Ehlers** made a motion to approve the minutes of the February 1, 2024 meeting. **Motion carried by voice vote.**

MOTION: **Rep. Redman** made a motion to approve the minutes of the February 5, 2024 meeting. **Motion carried by voice vote.**

H 604: **Rep. Wheeler** presented **H 604** explaining the legislation adjusts the requirements for individuals to engage in work as an electrical contractor, assuring that an appropriate level of experience is demonstrated by the journeymen or master electrician providing oversight of a contracting operation.

Chairman Clow opened the legislation to public testimony. No one indicated their desire to testify.

During discussion, committee members explained the legislation is a good compromise and expressed appreciation for all the work the sponsor put into the issue.

MOTION: **Rep. Crane (13)** made a motion to send **H 604** to the floor with a **DO PASS** recommendation. **Rep. Wheeler** will sponsor the bill on the floor.

Reps. Crane (13) and **Dixon (1)** declared a Rule 80 stating a possible conflict of interest.

VOTE ON MOTION: **Motion carried by voice vote. Rep. Wheeler** will sponsor the bill on the floor.

H 662: **Rep. Crane (13)** explained there are changes to be made to the legislation.

MOTION: **Rep. Crane (13)** made a motion to **HOLD H 662** subject to the call of the chair. **Motion carried by voice vote.**

H 585: **Rep. Price** presented **H 585** which protects the right to mine, store and transfer digital assets. The legislation amends the Idaho Digital Assets Act to add definitions and the right to mine, and clarifies digital assets are exempt from taxation when used as a form of payment in a transaction. Finally, it defines central bank digital currency and excludes it from the Idaho Uniform Commercial Code's definition of money and prohibits state engagement with the protocol.

Rep. Manwaring shared background on the legislation. He explained **H 585** adds definitions to Idaho Digital Assets Act to have consistency in Idaho in order to encourage innovation and investment.

Rep. Manwaring introduced **Jay Jorgensen**, GEOBitMine who explained how his company recycles waste heat to warm greenhouses which in turn provides jobs and grows food in Idaho.

Testifying **in support** of **H 585**, **Justin Orkney** explained the benefits of digital mining and his concerns about discriminatory utility rates charged by public utilities.

Testifying **in support** of **H 585**, **Niklas Kleinworth**, Idaho Freedom Foundation explained how the legislation defends privacy and property rights and recognizes natural rights.

Testifying **in support** of **H 585**, **Denise Porter**, SAF, shared the benefits of data mining and explained how data mining balances the grid. He also expressed concern about local and federal governments limiting digital miners.

Testifying **in support** of **H 585**, **Jay Jorgensen**, GEOBitMine explained the approval process to bring to market his project merging a digital asset data center with sustainable agriculture. He shared the pitfalls encountered with Idaho Power's rate schedule for digital asset mining companies.

Testifying **in opposition** of **H 585**, **Megan Ronk**, Idaho Power expressed concern the legislation has a carve out regarding nondiscriminatory rate-making. She explained current statute requires the Idaho Public Utilities Commission set fair and constant rates for all customers. She also shared data mining projects are significant power users.

In response to committee questions, **Rep. Manwaring** explained if someone sells digital currency and makes a capital gain, they will owe tax on the gain. In addition, sales tax is still owed on taxable purchases made with digital currency. He also shared the legislation defines digital assets are intangible personal property. The legislation does not deal with tax code.

Chairman Clow clarified the legislation deals with the actual mining process of digital assets and not the tax consequences.

In response to committee questions, **Megan Ronk**, Idaho Power, explained no other industry has a separate nondiscrimination rate-making provision in Idaho Code. She also gave a high level explanation of power rate schedules noting the volatility of data mining operations.

In response to committee questions, **Jay Jorgensen**, GEOBitMine explained the process to engage with a federally regulated public utilities company prior to building their mine. He also shared bit coin digital asset mining and data centers are good stewards of the environment and energy. He further explained the company is able to flex their load during peak energy demand by reducing their energy use.

In closing, **Rep. Manwaring** explained the definition of the new Schedule 20 is for speculative, high density load customers. He shared while Idaho Power will compensate Schedule 20 customers when interrupting services, the specific compensation has not yet been decided. He noted the potential interruption of service and uncertain compensation makes obtaining investors and financing difficult for companies assigned Schedule 20. Rep. Manwaring also explained his motivation for bringing this legislation is to protect private property rights in Idaho.

MOTION:

Rep. Redman made a motion to send **H 585** to the floor with a **DO PASS** recommendation.

Discussing the motion, committee members expressed the importance of this legislation to help boost the economic development in Idaho. Committee members expressed concerns about the power used by large companies which may cause the price of power to rise.

VOTE ON MOTION:

Motion carried by voice vote. Reps. Cornilles, Petzke, Lanting and Furniss requested they be recorded as voting **NAY**. **Reps. Price and Manwaring** will sponsor the bill on the floor.

Chairman Clow put the committee at ease.

Chairman Clow reconvened the meeting at 3:01 P.M.

H 657:

Rep. Weber presented **H 657** explained the legislation gives homeowners in a development where they reside representation on a homeowner's association (HOA) board after 75% of the development is built and occupied. It also outlines the complete transfer of all HOA powers and activities to the homeowners after 95% of the development is built and occupied. This transfer to homeowners shall be completed within 180 days. It addresses proxy votes, penalty clause and a fifteen business day response for all inquiries made by a homeowner.

In response to committee questions, **Rep. Weber** explained developers do not need to live in the development. He shared the legislation considers all building phases as one development.

Testifying **in support** of **H 657** **Cameron Smith** shared his experience dealing with a troublesome HOA. He explained how **H 657** would help.

Testifying **in support** of **H 657**, **Paul Elam** explained other states have legislation whereby the HOA is turned over to the members of the HOA at 75% occupancy.

Testifying **in opposition** of **H 657**, **Brindee Collins**, Community Association Institute and expressed concerns about the language and residency requirements of the legislation.

Testifying **in opposition** of **H 657**, **Michelle Staniovich**, Association Management, shared concerns about the lack of continuity with the potential of changing HOA board members and vendors.

Testifying **in opposition** of **H 657**, **Travis Hunter**, Boise Hunter Homes explained how their company creates developments and shared **H 657** would impede their ability to fulfill promises made to their customers.

Testifying **in opposition** of **H 657**, **Marke Tate**, M3 and Building Contractors Association Southwestern Idaho expressed concern about the mandated turnover of the association to homeowners provision in the legislation.

Testifying **in opposition** of **H 657**, **John Wardle**, Brighton Corporation shared his concern with the language of the legislation explaining it lacks some definitions.

Testifying **in opposition** of **H 657**, **Mitchell Gardener**, Community Associations Institute explaining people have the freedom to negotiate and enter into contracts.

Testifying **in opposition** of **H 657**, **Joe La Gue**, shared the legislation has good intentions but is not ready. Mr. La Gue stated he would like to see more collaboration working on the legislation going forward.

In response to committee questions, **Ms. Collins** explained the language is strict and needs more definitions. She also shared the legislation doesn't account for some types of organizations.

In closing, **Rep. Weber** explained the legislation is on the right track but would like to take more time to work on it and requested **H 657** be held in committee.

During discussion, committee members expressed appreciation for the sponsor to address issues. They also shared concerns about the high number of HOA bills coming before the committee this session suggesting HOAs need to take note.

Reps. Furnis, Redman, and Palmer declared a Rule 80 stating a possible conflict of interest.

MOTION: **Rep. Dixon (1)** made a motion to send **H 657** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Weber** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:43 p.m.

Representative Clow
Chair

Michelle A Anderson
Secretary