

MINUTES

SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, January 17, 2012

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Andreason, Vice Chairman McKague, Senators Cameron, Goedde, Smyser, Tippetts, Johnson, Stennett, and Schmidt

**ABSENT/
EXCUSED:**

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.

Chairman Andreason called the meeting to order at 1:33 p.m.

RS20797 **Relating to Real Estate Term Language Update**
Jeanne Jackson-Heim, Executive Director, Idaho Real Estate Commission, stated the proposed bill **RS20797** is a clean-up bill, which deletes a few words that were missed in previous law changes.

MOTION: **Senator Goedde** moved, seconded by **Senator Tippetts**, to print **RS20797**. The motion carried by **Voice Vote**.

RS20798 **Relating to Real Estate License Exam Fee**
Ms. Jackson-Heim said this proposed legislation concerns the Commission's contracts with a professional exam provider to administer the real estate licensing exam. There is a statutory cap of \$100 for the exam fee. This proposed legislation would increase that cap to \$150. The Commission's present exam fee is \$85, and as noted, our existing contract expires in November of this year.

MOTION: **Senator Tippetts** moved, seconded by **Senator Goedde**, to print **RS20798**. The motion carried by **Voice Vote**.

RS20799 **Relating to Real Estate License Exam Fee Cap**
Ms. Jackson-Heim advised that **RS20799** pertains to the Commission's group errors and omissions insurance policy. As with the license exam, there is presently a premium cap of \$200. The Commission is in the last year of a three-year contract with their group insurance provider, and the premium has been \$186 per year.

MOTION: **Senator Tippetts** moved, seconded by **Senator Johnson**, to print **RS20799**. The motion carried by **Voice Vote**.

RS20800 **Relating to Real Estate Related Continuing Education Credit**
Ms. Jackson-Heim stated **RS20800** pertains to continuing education requirements for our licensees. Idaho Code permits some courses taken in other jurisdictions or for other professions to be used to meet Idaho's education requirement. This legislation would add language to clarify those non-certified courses must be somewhat equivalent to Idaho certified courses by meeting the same minimum requirements as a course certified by the Commission.

MOTION: **Senator Smyser** moved, seconded by **Senator Cameron**, to print **RS20800**. The motion carried by **Voice Vote**.

**DOCKET NO. Department of Administration
Rules Review**

38-0301-1101 Rules Governing Group Insurance

Teresa Luna, Director, Department of Administration advised that this docket includes some needed housekeeping changes for clarification and consistency but there are a couple of indicative changes. The definition of eligible dependents for active and retired employees has been changed. Prior to the Patient Protection and Affordable Care Act only dependent children up to the age of 25 were eligible for medical and dental coverage through the state's plan. Due to the Act and its changes the state is now required to expand coverage to all children up to the age of 26 regardless of their marital status. The final change is in Section 40 the Medicare Prescription Medication Reimbursement Program established three years ago when access to the state medical plan for retiree's, medicare eligible, were removed from the state's plan and had to seek coverage from a private plan. At that time, there was concern from those retiree's about prescription drug care costs and some retiree's falling into the donut hole. The state implemented the Medicare Prescription Medication Reimbursement Program, which was put in place for two years to allow the retiree's moved off of the state's plan the ability to apply for reimbursement for up to \$2,000 to defray their costs. The Department set aside \$400,000 per year to cover the reimbursement of these costs. To date, there has been limited usage of these funds less than \$100,000 of the \$800,000. The Department has chosen to extend this Program for another two years, through calendar year 2013.

Senator Tippets stated that the language on page 165, Section (a) covering prescription drug costs that were covered during the coverage year and maybe reimbursed up to the March of the following year, "reads received after March 31, of the covered year will be denied for being untimely". This should read "of the following year". **Ms. Luna** stated that the Medicare Prescription Drug Plan runs on a calendar year. Whatever costs are incurred during 2010, for example, the retiree could ask for reimbursement of those costs until March of 2011.

MOTION:

Senator Goedde moved, seconded by **Senator Schmidt**, to reject the sentence on page 165, Section 02 (a) that starts with "petitions and reimbursements....and ends with being untimely". The motion carried by **Voice Vote**.

MOTION:

Senator Goedde moved, seconded by **Senator Smyser**, to adopt Docket No. 38-0301-1101 with the one deletion. The motion carried by **Voice Vote**.

**DOCKET NO. Department of Labor
Rules Review**

09-0130-1101 Unemployment Insurance Benefits Administration Rules

Bob Fick, Communication Manager, Department of Labor, stated this rule will bring the regulations of the Department in line with **H80** which set new restrictions on the ability of corporate officers to collect unemployment insurance, opting out of coverage and then applying for insurance. This rule defines a corporate officer and the circumstance under which a corporate officer can receive unemployment insurance. Essentially there are no circumstances. A corporate officer that has a controlling monetary interest in the business cannot receive unemployment insurance. If the corporate officer is fired or sells the business and is no longer a corporate officer these circumstances would allow him to be eligible for unemployment insurance. As long as a corporate officer has controlling interest in the business they are ineligible to collect unemployment benefits.

Mr. Fick recalled to the Committee the circumstances under which **H80** was passed. The last quarter of 2007 to the first quarter of 2010, during the recession, the state had 5,030 corporate officers who collected \$42 million in unemployment insurance

with only \$6 million in wages contributed to the fund. This disproportionate demand on the unemployment insurance trust fund essentially shifted the burden of that additional \$36 million in payments to the other 50,000 employers in Idaho who were paying taxes. The unemployment insurance program was never intended to be part of a business plan and serve as a financial bridge in cases that are seasonal, repeated or expected for business circumstances. The fund's intention was to pay out benefits in unexpected cases where people lose their jobs for no fault of their own. In the case of corporate officers they control the business of employment, payment and hiring and firing of personnel. The fund is better served by imposing greater restrictions on collection of unemployment by corporate officers.

MOTION: **Senator Cameron** moved, seconded by **Senator Goedde**, to adopt Docket No. 09-0130-1101. The motion carried by **Voice Vote**.

09-0135-1101 Unemployment Insurance Tax Administration Rules

Mr. Fick explained that Docket No. 09-0135-1101 is the second part of **H80** rules reconciliation. It sets out procedure to which corporate officers can opt out of the unemployment insurance system. The decision they make is for a two year period and at the end of that two year period they can make the choice whether to continue to opt out or decide to enroll in the system.

MOTION: **Senator Goedde** moved, seconded by **Senator Schmidt**, to adopt Docket No. 09-0135-1101. The motion carried by **Voice Vote**.

**DOCKET NO. Department of Building Safety
Rules Review**

07-0106-1101 Rules Governing the Use of National Electrical Code

Chairman Andreason stated at the January 12, 2012 Committee meeting the Committee voted to hold this rule in Committee. **Senator Goedde** said when the rule originally was before the Committee he asked whether the presenter had statistics on the number of homeowners that might not be able to afford a home if this rule is adopted. The presenter did not have that information. Since that meeting, the Treasure Valley Home Builders provided a number based on 2008 statistics. An extra \$1,000 charge for a home would cause 582 less homes to be purchased in the Treasure Valley. This is an indication of what an additional charge on a purchase price can create.

MOTION: **Senator Smyser** moved, seconded by **Senator Stennett**, to reject 07-0106-1101. The motion carried by **Voice Vote**.

There being no further business, the meeting adjourned at 2:07 p.m.

Senator Andreason
Chairman

Carol Deis
Secretary