

MINUTES
HOUSE BUSINESS COMMITTEE
THOMPSON SUBCOMMITTEE
Rules Review

DATE: Monday, January 23, 2012
TIME:
PLACE: Room EW41
MEMBERS: Chairman Thompson, Representatives Chadderdon, Smith(30), Barbieri
**ABSENT/
EXCUSED:** None.
GUESTS: Jesse Taylor, Westerberg & Associates; Matthew Kaiserman, Gallatin Public Affairs; Jack Lyman, Idaho Housing Alliance; Jack Van Wyk; Roger Hales, Bureau of Occupational Licenses

Chairman Thompson called the meeting to order at 2:50 p.m.

DOCKET NO. 24-0101-1101: **Roger Hales**, an attorney representing the Bureau of Occupational Licenses, presented **Docket No. 24-0101-1101**, from the Board of Architectural Examiners. Mr. Hales testified that many of the 1,656 licensed architects in Idaho hold licenses in multiple states. He said the Board is trying to make licensing requirements consistent with other states. Under the new rules continuing education requirements will be based on a calendar year and the required hours will increase from eight to twelve, effective January 1, 2014. Also, the requirements for reinstatement will be clarified and the number of hours of continuing education that can be carried over to future years is reduced from eight hours to six hours. The rule incorporates by reference the 2011 Handbook for Interns and Architects. The Board is also revising the classification of courses to be consistent with most other states and the Model Law. Finally, the Board is eliminating an exemption for architects who hold licenses in other states. Previously, a person licensed in another state would need to meet only that state's continuing education requirements in order to maintain an Idaho license. Now, if a person holds an Idaho license, he or she will need to meet Idaho's continuing education requirements. Mr. Hales said there has been no objection to these proposed changes.

In answer to committee questions, **Mr. Hales** said there can be substantial differences in requirements from state to state. The national trend in most states is to require 12 CE credits per year, on a calendar year basis. Asked whether increasing the CE requirements simply creates more jobs for continuing education providers, Mr. Hales said the primary goal of continuing education is to protect the public safety by allowing licensees to keep up with current trends and new laws. Mr. Hales said out-of-state persons holding Idaho licenses would not have to take separate Idaho CE courses to comply with this new rule.

MOTION: **Rep. Chadderdon** made a motion to recommend approval of **Docket No. 24-0101-1101** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 24-0401-1101: **Roger Hales**, an attorney representing the Bureau of Occupational Licenses, presented **Docket No. 24-0401-1101**, from the Idaho Board of Cosmetology. This rule will reduce the fees for cosmetology licensing. Mr. Hales explained that all Boards within the Bureau are required to be self-sufficient, although at certain times a Board may be in a deficit position. In that case, a rule change is proposed that will make that Board ultimately self-sufficient. All fees collected from all Boards are accounted for separately but are deposited into the Bureau's general fund;

therefore, surpluses from one agency subsidize other agencies that may be running a deficit. The Cosmetology Board currently has a surplus, and Mr. Hales said the Bureau tried to balance the fees so the Boards do not accumulate more than 1.5 years of funds. Mr. Hales said in the case of the Board of Cosmetology, under which a wide variety of professions is licensed, this rule change will decrease the Board's budget by \$124,000.

Responding to committee questions, **Mr. Hales** said the Bureau of Occupational Licenses provides investigative support, administrative staff, and also inspectors for its various Boards. The administrative support also includes financial and legal expertise when needed. Mr. Hales said the Cosmetology Board sets sanitation standards for its licensed establishments throughout the state.

MOTION: **Rep. Chadderdon** made a motion to recommend approval of **Docket No. 24-0401-1101** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 24-1801-1101: **Roger Hales**, an attorney representing the Bureau of Occupational Licenses, presented **Docket No. 24-1801-1101**, from the Real Estate Appraiser Board. Mr. Hales introduced **Jack Van Wyck**, a Certified Residential Appraiser, and **Brad Janus**, a Certified General Appraiser and Chairman of the Real Estate Appraiser Board.

Mr. Hales testified that H 82, legislation from 2011, allowed the Board to set and require a fee of up to \$100 for the purpose of approving programs offered by continuing education providers. Mr. Hales said most surrounding states already charge a fee for this approval process, and Idaho is obligated to review and approve these programs, a process that can be a significant task. He said the new fee will generate approximately \$15,000. The Uniform Standards of Professional Appraisal Practice are being updated to the 2013 edition, the definition of classroom hours is being revised, and online work will now be allowed. Mr. Hales noted that real estate appraisers have federal oversight and must be in compliance with federal laws.

Mr. Hales gave further details of this rule change, explaining that some of the increased fees are basically pass-through amounts to deal with the increased fees required by the federal government. Continuing education requirements will move to a two-year cycle; the number of hours will increase from 15 hours annually to 30 hours biannually. Also, certain changes relating to temporary licensing are being made.

Asked whether the Board is currently charging for continuing education provider applications, **Mr. Hales** said it is not. This is a new fee necessitated by new federal requirements. He said this Board currently has a negative balance, although it is working its way toward self-sufficiency. Mr. Hales pointed out that much of the Board's activity is reviewing CE provider applications, and charging CE providers a fee is somewhat akin to a user fee.

MOTION: **Rep. Barbieri** made a motion to recommend approval of **Docket No. 24-1801-1101** to the full committee. **Motion carried by voice vote.**

DOCKET NO. 24-2201-1101: **Roger Hales**, an attorney representing the Bureau of Occupational Licenses, presented **Docket No. 24-2201-1101**, from the Liquefied Petroleum Gas Board. Mr. Hales explained this Board governs liquefied petroleum gas dealers and storage facilities in Idaho. The standard used to judge these bulk facilities and practices is the Liquefied Petroleum Gas Code. This rule will update that code to the 2011 edition.

MOTION: **Rep. Smith** made a motion to recommend approval of **Docket No. 24-2201-1101** to the full committee. **Motion carried by voice vote.**

**DOCKET NO.
24-2501-1101:**

Roger Hales, an attorney representing the Bureau of Occupational Licenses, presented **Docket No. 24-2501-1101**, from the Idaho Driving Businesses Licensure Board. This board was new as of 2009, and Mr. Hales stated it is always difficult to determine an initial fee amount that will be sufficient to fund the Board's operations. At this point the Board's expenses are exceeding its revenue, so a fee increase is necessary. Mr. Hales testified that the President of the Association of Driving Businesses was present during discussions of the fees, and the Bureau has received no objection from licensees. The new annual fee for driver training businesses, which is increasing from \$500 to \$600, will raise approximately \$9,700 in additional revenue. This Board is currently \$19,000 in the red, a reduction from the \$23,000 deficit at the end of the last fiscal year. However, the current balance may not be representative, since a large number of businesses have already renewed their licenses.

In answer to committee questions, **Mr. Hales** said this Board was established in 2009; prior to that time, these driving businesses were under the Department of Education. He stated the Board's revenue as of December 31, 2011, was \$21,000, and their expenditures were \$17,000. They do have a positive revenue stream, but they started out \$23,000 in the red. Mr. Hales said the Board does realize it needs to charge its members more in order to move to a positive financial position.

Asked whether these rules were developed using negotiated rulemaking, **Mr. Hales** said the Bureau does not involve itself in negotiated rulemaking because all meetings are open and everyone is invited to participate. Negotiated rulemaking is an expensive process, and since the Bureau's website contains all agendas, minutes and proposed rules, it does provide a high level of transparency. He said there has been no opposition to these changes, and noted that the Association's president was present during the discussions.

Mr. Hales reiterated that the Bureau oversees 28 different occupational boards, and all revenue is deposited into one fund, although each Board's financing is accounted for separately. This allows the Bureau to subsidize boards that may from time to time find themselves in a deficit position. He reminded the committee that this Board was newly established in 2009, and that it had to develop rules, create application forms, and incur other startup costs. These initial startup costs are difficult to estimate when setting the initial license fees. Mr. Hales said the new fees will generate an additional \$9,700, which could bring the Board into self-sufficiency in two years.

MOTION:

Rep. Smith made a motion to recommend that **Docket No. 24-2501-1101** be approved by the full committee.

Rep. Barbieri expressed his opinion that the higher fees will make it more difficult and more expensive for new businesses to start up, which works against open competition in the industry. He said the Bureau of Occupational Licenses should have some way of holding the Board accountable for running at a deficit, and he said he would not support the motion.

**WITHDRAWAL
OF MOTION:**

After committee discussion, Rep. Smith withdrew her original motion.

MOTION:

Rep. Smith made a motion to send **Docket No. 24-2501-1101** to the full committee without recommendation, for its further consideration. **Motion carried by voice vote.**

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

Representative Jeff Thompson
Chairman

MaryLou Molitor
Secretary