

MINUTES

SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

- DATE:** Tuesday, February 28, 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 1:31 p.m.
- GUBERNATORIAL APPOINTMENT TO BE HEARD** **Chairman Andreason** introduced **J. Kirk Sullivan**, the Governor's reappointment to the Public Employee Retirement System of Idaho Board (PERSI) to serve a term commencing July 1, 2011 and expiring July 1, 2016. **Mr. Sullivan** advised he was first appointed to the PERSI Board in 1996 and his service time on the Board has been very rewarding as the system grew to what it is today. The PERSI fund has grown to \$418M, is 88% funded, and there are 11,000 participants. The Board seeks to educate the next generation concerning retirement funds. Preparing them at the age of forty or younger to recognize the amount of money they will need to fund their retirement.
- Senator Smyser** asked for one of **Mr. Sullivan's** biggest achievements in his contribution to the Board over the years. **Mr. Sullivan** replied that it would be his ability to be teachable. His background was in engineering, but he was willing to learn how to manage an investment system so he could be an asset as a contributor to the PERSI Board.
- MINUTES APPROVAL** February 14, 2012
February 16, 2012
February 21, 2012
- MOTION:** **Senator Smyser** moved, seconded by **Senator Tippetts**, to approve the minutes of February 14, 2012. The motion carried by **Voice Vote**.
- MOTION:** **Senator Tippetts** moved, seconded by **Senator Smyser**, to approve the minutes of February 16, 2012. The motion carried by **Voice Vote**.
- MOTION:** **Senator Stennett** moved, seconded by **Senator Goedde**, to approve the minutes of February 21, 2012. The motion carried by **Voice Vote**.
- RS21336** **Relating to the Directory of New Hires. Bob Fick, Communication Manager, Idaho Department of Labor**, stated that **RS21336** is a revision of **S1306** which was presented earlier this month. The bill proposed a \$25 penalty on all employers who failed to comply with the New Hire Reporting Law, which requires that all new hires must be reported to the Department of Labor within twenty days of their hire date. **RS21336** requires that the Department send a warning notice to employers who fail to report their new hires. The notification will state that the next time they hire an employee and fail to report them they will be subject to a \$25 fine. The bill also cuts the maximum penalty cap per quarter for the employer from \$5,000 to \$2,500. Thirty-three other states have penalty legislation including Washington, Oregon, and Utah.

MOTION: **Senator Goedde** moved for unanimous consent that the Committee agree to ask a privileged committee to print **RS21336**. **Chairman Andreason** asked if there were any objections to the unanimous consent. There were no objections. **RS21336** will be sent to a privileged committee to be printed.

H466 **Relating to Plumbing and Plumbers.** **Steve Keys, Deputy Director, Department of Building Safety,** advised that this legislation would adopt the Idaho State Plumbing Code (ISPC) as the minimum requirement for plumbing installations in Idaho. The core of this bill is the same as that reviewed last year by this Committee, but does incorporate revisions necessary to gain the endorsement of the Association of Idaho Cities, the Idaho Association of Building Officials, and hopefully, this committee. The most significant change is deleting the language relating to amendments to the code from the body of the code. The amendments continue to be reflected in the administrative rules, which are included along with the governing statutory provisions as addenda to the ISPC. The Idaho State Plumbing Code as published by the International Association of Plumbing and Mechanical Officials (IAPMO) will be available for viewing via the Department of Building Safety (DBS) website, at no charge to the public. Copies of the code in either digital or printed format will be available for \$64.00/\$80.00 in digital format, and \$112/\$140 in a 3-ring binder. The lower prices reflect membership discounts for IAPMO members. **Senator Cameron** asked for clarification of the fiscal note sentence which states "the Division should initially be slightly negative due to the purchase of new code books for its inspectors." **Mr. Keys** replied that initially there will be additional cost to the state for the purchase of new materials. In the long term there will be no adoption of new codes and purchasing of those materials. **Senator Cameron** asked what will be the cost initially? **Mr. Keys** stated that the impact limited to the State of Idaho will be between \$3,000 to \$5,000.

Leon Duce, representing the Association of Idaho Cities stated that the Association of Idaho Cities has voted in support of H466. **Kenny Calkins, representing the Treasure Valley Master Plumbers Association and the Plumbing and Heating Contractors Association** spoke in support of H466.

MOTION: **Senator Tippets** moved, seconded by **Senator Cameron**, to send **H466** to the floor with a do pass recommendation. The motion carried by **Voice Vote**.

H467 **Relating to Heating, Ventilation and Air Conditioning Contractors.** **Steve Keys** said this legislation is brought forward from the Heating, Ventilation and Air Conditioning (HVAC) Board, and seeks to clarify the Legislature's intent relative to the regulation of the installation of solid-fuel burning appliances such as wood stoves and factory built fireplaces. Pellet stoves fall within the definition of solid-fuel burning appliances. The bill modifies the definition of a heating, ventilation and air conditioning contractor by changing the term "solid-fuel burning furnaces" to "solid-fuel burning appliances". The board believes that the installation of solid-fuel stoves and factory-built fireplaces is a legitimate public safety concern, and should be included in the HVAC program. Currently, the Division is permitting and inspecting the installation of solid-fuel burning stoves listed under Underwriters Laboratory (UL) standard UL737. Factory built fireplaces listed under UL standard UL 127 are not currently included in our inspection and permitting process, because they do not fall within sections 5 and 6 of the International Residential Code, which is the code basis for HVAC installations in one and two family residences. Should this legislation be approved, one would anticipate that the HVAC Board would initiate follow-up legislation to adopt the references to factory-built fireplaces contained in Chapter 10 of the International Residential Code.

MOTION: **Senator Schmidt** moved, seconded by **Senator Goedde**, to send **H467** to the floor with a do pass recommendation. The motion carried by **Voice Vote**.

H468

Relating to Mobile and Manufactured Homes. Steve Keys explained in 2000, Congress passed legislation requiring that all installations of new manufactured homes be inspected. The requirement was driven by widespread recognition that inadequate and/or improper installation was the leading cause of complaints from owners of manufactured homes. What you have before you today is the result of that process begun by Congress in 2000. The US Department of Housing and Urban Development spent years developing the regulations outlining the requirements for the installations, and then gave State Administrative Agencies (SAA's) the opportunity to decide if the state wanted to conduct its own inspection program or to defer to Housing and Urban Development (HUD). At the behest of the manufactured housing industry in Idaho, the Division of Building Safety accepted responsibility for assuring these mandatory inspections are conducted. Rather than developing a completely new delivery methodology, DBS is working with local jurisdictions to leverage their existing programs in meeting the federal requirement. The primary changes to current practice in Idaho contained in this bill are: 1) DBS is responsible to HUD for assuring that all installations of new manufactured homes are properly installed; 2) The \$50 installation tag requirement will enable DBS to track the locations of all new installations per the HUD requirement, and will also produce revenue necessary to facilitate training of inspectors and to support quality assurance activities required of DBS; and, 3) DBS will issue permits and conduct inspections of new manufactured home installations in those areas of the state not covered under other inspection programs. The authority of local jurisdictions to conduct inspections of new manufactured home installations stems from DBS's authority granted by HUD. DBS must assure that local efforts are conducted properly.

Senator Cameron asked has DBS developed a fee schedule and what might the Division generate and expend on this program. **Mr. Keys** stated that they believe the fees will range from \$200 to \$400 depending on the size of the units. The Division anticipates the fee schedule will generate just enough funding to support the Division's costs.

Jack Lyman, representing Idaho Housing Alliance, spoke in support of **H468**. The Alliance anticipates there will be approximately 200 new homes placed and subject to this legislation on an annual basis. The Alliance will be involved in the negotiated rulemaking fee process and will make sure the fee is set at a sufficient amount to sponsor an adequate program. The Alliance is concerned that if the installation program is not run by the state, then HUD will require federal inspections of the units. The federal inspection program would be significantly higher than if the program was run by the state.

Kate Haas, representing Idaho Association of Building Officials, spoke in support of the legislation.

MOTION:

Senator Smyser moved, seconded by **Senator Johnson**, to send **H468** to the floor with a do pass recommendation. The motion carried by **Voice Vote**.

H419

Relating to the Board of Real Estate Appraisers. Roger Hales, General Counsel, explained there are two changes to this legislation: 1) Adds an additional grounds in the Board's disciplinary actions and 2) Strikes the word reciprocity in the "out of state section." The addition of the disciplinary ground in regards to a violation of Board order is based upon a recent supreme court case. The supreme court judged that the Board could not further discipline a licensee who violated a Board order unless violation of the Board order was listed as a ground for discipline within the Board's Act. As they amend the Board Act they are adding "failing to comply with a board order entered in a disciplinary matter." This will allow the Board authority to enforce their own order.

The Board is revising language in its enforcement section and reciprocity is being deleted to allow the Board to license any out of state real estate appraiser who meets Idaho's requirements; irrespective of an agreement between Idaho and that state.

Senator Goedde stated that the statement of purpose refers to term endorsement but that term is not found in the language of the bill. **Mr. Hales** explained when the Board licenses out of state appraisers they think about two models: 1) reciprocity model where the Board would have to have an actual agreement between the states; and 2) Endorsement model allows an appraiser who meets Idaho's requirements they may be licenses irrespective of that contract. **Senator Goedde** requested that the legislation be reworded so that the term endorsement is included and matches the statement of purpose.

MOTION:

Senator Johnson moved, seconded by **Senator Schmidt**, to send **H419** to the floor with a do pass recommendation. The motion carried by **Voice Vote**.

There being no further business, the meeting adjourned at 2:10 p.m.

Senator Andreason
Chairman

Carol Deis
Secretary