

## MINUTES

# SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

**DATE:** Tuesday, March 13, 2012  
**TIME:** 1:30 P.M.  
**PLACE:** Room WW54  
**MEMBERS PRESENT:** Vice Chairman McKague, Senators Cameron, Goedde, Smyser, Tippetts, Johnson, Stennett, and Schmidt  
**ABSENT/ EXCUSED:** Chairman Andreason

**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.

**Senator Cameron** called the meeting to order at 1:30 p.m.

**MINUTES APPROVAL:** March 8, 2012

**MOTION:** **Senator Schmidt** moved, seconded by **Senator Smyser** to approve the minutes of March 8, 2012. The motion carried by **Voice Vote**.

**H549** Relating to Liens. **Jeff Harvey, Secretary of State Office**, explained liens filed by the State of Idaho transitioned to the Secretary of State Office in 1998. The need for the amendment that you have before you is best described through a scenario. Scenario: Jane Doe decides to buy a house and her credit check comes back with a lien filed in 1993. The credit agency advises Ms. Doe that she must prove this lien was taken. Ms. Doe goes to the County Recorders Office, where the liens were recorded, at that time, and they tell her they have the lien on record and that is the only information they can give concerning the lien. They can tell her that the lien was filed by the Idaho State Tax Commission. Ms. Doe goes to the State Tax Commission and they tell her they do not know whether they filed the lien. The records from that period have been destroyed. The Tax Commission is allowed under law to destroy the records after five years. However, the County Recorder does not indicate in their records by status. These liens keep turning up on individual's credit reports and the individual with the lien is having difficulty proving that it was released because there is no record of a release. Jane Doe's only recourse is to hire an attorney to do some legislative history and write a letter to prove that the lien lapsed. A lien filed for \$100, 15 years ago, could now cost several hundred dollars in legal fees to have it removed from their credit report. The amendment states in one place that any lien filed with the County Recorder by the State of Idaho before July 1, 1998 is no longer a force and effect. **Mr. Harvey** has been receiving calls from individuals who are seeking to clear up an old lien on their credit report, assuming that his office possesses these old records. If the lien is no longer of interest, it never transitioned to their office. The amendment will spell out that these old liens are no longer in affect and these individuals can show the legislation language to the credit agencies.

**Senator Tippetts** asked for clarification of Subsection 5. **Mr. Harvey** advised that they included Subsection 5 to clarify that if the lien was on file with the County Recorder Office and transitioned to the Secretary of State's Office it would remain in effect. This amendment refers to these prior liens and does not effect those newly recorded documents.

**Senator Stennett** asked why was 1998 picked as the cut-off date. **Mr. Harvey** stated the transition period was from January 1 through June 30, 1998. This was the time-frame that liens were transitioned from the County Recorders Office to the Secretary of State Office. July 1, 1998 is the official date that the transition of the liens, that were of interest, should have transitioned to their office.

**Senator Smyser** asked how many of these credit dispute cases will be referred to their office and how much time will it take their office to refer this information to people. **Mr. Harvey** stated it has become more of an issue over the last year and that is what has prompted this amendment. They have talked to between ten and twenty people directly within the last six months that have run into lien issues. If these individuals contact their office, they will now have a solution for them.

**Senator Cameron** asked are any of these child support liens? By giving the release of July 1, 1998 would they be saying to the other parent that they will not receive the back funds? **Mr. Harvey** replied that Health and Welfare released all of their child support liens on July 1, 1998. If you look at Subsection 3, it specifically states that "the effectiveness of a notice of state lien for child support delinquency which was recorded with the County Recorders Office shall lapse on July 1, 1998, unless a notice of transition is filed with the Secretary of State on or before July 1, 1998." Health and Welfare took care of the transition of files and the date. **Senator Cameron** asked are we forgoing any monies that are owed to the state with this amendment and if so, how much. **Mr. Harvey** advised the issue is not so much the fact that we are forgoing money, because we are not in this case. Under the law liens are only good for five years. The language does not directly state that and they are clarifying it in this amendment.

**MOTION:** **Senator Schmidt** moved, seconded by **Senator Stennett**, to send **H549** to the floor with a do pass recommendation. The motion carried by **Voice Vote**. **Senator Schmidt** will be the sponsor of the bill.

**H550** Relating to Business Entity Names. **Jeff Harvey** stated in 2007 the statutes regarding limited liability for companies were changed and there was an oversight in the language which left out the wording that prohibits business organizations from taking a name that falsely states or implies government affiliation. This makes the LLC Act, in particular, non-uniform in other business entity acts. Reinstating the language will make the LLC Act uniform with the Corporation Act and some language adjustment in the limited partnership Act will complete the corrections so that all language across all three acts is uniform.

**MOTION:** **Senator Goedde** moved, seconded by **Senator Smyser**, to send **H550** to the floor with a do pass recommendation. The motion carried by **Voice Vote**. **Senator Goedde** will be the sponsor of the bill.

**H440** Relating to Insurance Funding. **Paul Leary, Administrator, Division of Medicaid, Department of Health and Welfare**, said the purpose of this bill is to modify current code to allow available funding to be used to cover program expenditures. Three programs in the Department of Health and Welfare, Children Health Insurance Program (CHIP Plan B), Access Card, and the Small Business Health Insurance Pilot Program are funded through use of dedicated funds from the Premium Tax Fund. Current statute directs a specific percentage of the funds to each of the three programs. For state fiscal year 2012, this allocation formula will leave the children's program underfunded while excess funds for the adult program remain idle. Modifying Title 41, Insurance, Chapter 4, Fees and Taxes eliminates the need to revisit the allocation formula each year and will allow the Department to fully fund each program. The adjustment needed for state fiscal year 2012 of \$2.7M transferred from the adult program into the CHIP Plan B fund.

The Affordable Care Act creates a new eligibility category for Medicaid. On January 1, 2014 all individuals under the age of 65 and at or below 133% of the federal poverty limit will be eligible for Medicaid. The act also provides for insurance subsidies that will be available to all current recipients on the adult program that have incomes above 133% of the federal poverty limit. Their Department will be required to transition all adults to those programs. Additionally, there will be an increase in federal funding with the Children's Health Insurance Program which is part of the Social Security Act, Title 21. On October 1, 2015 there will be a decrease in the federal participation by 23% up to 100% of federal participation. What does this mean for Idaho? In Idaho our Children's Health Insurance Program is funded at a fee percent with federal dollars right now. That will not bring us up to 50% federal participation by October 2, 2015. There is no impact to the general fund. There is no change of the total amount premium tax fund used for these three Department of Health and Welfare Programs as premium tax funds available to be used for these programs are defined in the statute.

**Senator Cameron** asked how much is in the account for the adult program? **Mr. Leary** answered the balance is \$3,000,829,100. **Senator Cameron** asked what is the projected amount to go into the fund this year, if the law were not to change? **Mr. Leary** stated \$139,906 for 2012.

**Senator Goedde** said if the Committee chooses to make this code correction with or without any reference to "Obama Care", how would this change be affected. **Mr. Leary** stated the changes in 2014, which would be a part of the Affordable Care Act, if that is overturned, then these programs will have to go forward. They have made some effort through the Affordable Care Act until 2019 with that program. The Children's Health Insurance Program is authorized now up through September 30, 2015. **Senator Goedde** said the language in this bill will give the Department the authority to allocate funds as needed to the Children's Access Card or the Small Business Health Insurance Pilot Program. **Mr. Leary** stated that the language in the bill does give the Department the authority to allocate funds as needed.

**Senator Cameron** stated the legislation that passed originally was to help adults, small business, and children to be able to obtain health insurance. One-fourth of the premium tax was earmarked above \$55M to go toward the Access Card. It was never intended that the premium tax would go towards helping pay for CHIPS. If the Department is going to use 20% of the monies towards the adult program, perhaps the whole allocation should be reworked and the premium tax should flow back to the general fund. Then the general fund should fund the CHIPS Program appropriately. **Mr. Leary** replied the statute states that the whole CHIP Part B Program was funded through the premium tax and it was through the same part of the legislation. At the end of the day, as long as they have funding for the program and that is what they are asking for in this bill. **Senator Cameron** said if this bill were not to pass you would need this money. **Mr. Leary** stated that the Department needs this money for this fiscal year to fund the program.

**MOTION:**

**Senator Smyser** moved, seconded by **Vice Chairman McKague**, to place H440 on hold in the Committee at the call of the Chair. The motion carried by **Voice Vote**.

There being no further business, the meeting adjourned at 2:02 p.m.

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Senator Andreason  
Chairman

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Carol Deis  
Secretary