

MINUTES
HOUSE LOCAL GOVERNMENT COMMITTEE

DATE: Wednesday, March 14, 2012

TIME: 1:30 P.M.

PLACE: Room EW05

MEMBERS: Chairman Barrett, Vice Chairman Marriott, Representative(s) Collins, Bayer, Chadderdon, Barbieri, Luker, Perry, Sims, Higgins, Buckner-Webb

**ABSENT/
EXCUSED:** None.

GUESTS: Karl Malott, Idaho Fire Chiefs Association; Dennis Dean, Boise Fire Department; Mike Irwin, Pocatello Fire Department; Corey Child, Madison Fire Department; Kent Lauer, Idaho Farm Bureau; Leon Duce, Association of Idaho Counties; Woody Richards, Attorney/Lobbyist, representing insurance companies; Teresa Baker, Ada County Prosecutor; Lyn Darrington, Lobbyist, representing State Farm Insurance Company; Phil Barber, American Insurance Association; Jim Trent, State Farm Insurance Company

Chairman Barrett called the meeting to order at 1:34 p.m.

MOTION: **Representative Marriott** made a motion to approve the minutes of March 8, 2012, with one correction, which was a typographical error in the spelling of his name on page 3. **Motion carried by voice vote.**

H 647: **Representative Perry** presented **H 647**, which defines emergency "incident response" fees relating to motor vehicle incidents, which are sometimes charged by counties, cities and fire districts, or those contracting with counties, cities or fire districts. The bill defines which of the incident response fees may be charged and which incident response fees are prohibited from being charged to those involved in motor vehicle incidents. Representative Perry said the drafters of **H 647** worked closely with insurance companies, fire districts and others to define and make consistent certain fees that can be charged for time and materials.

Mr. Woody Richards, an attorney and lobbyist for insurance companies, spoke **in support** of **H 647**, emphasizing that 13 states, including Utah, have limited or banned third-party charges related to accidents. He said that eight or ten of the 156 fire districts in Idaho are currently supported by third party vendors, whose fees are various and unregulated.

Karl Malott, Idaho Fire Chiefs Association; **Dennis Doan**, Boise Fire Department; **Mike Irwin**, Pocatello Fire Department; and **Corey Child**, Madison Fire Department, testified **in opposition** to **H 647**, expressing the belief that the legislation would place an undue burden on fire departments that work with vendors in response to incidents in areas that are not within the sphere of a particular fire district. They said that if fire districts are not allowed to charge a fee for needed incidentals, they would not survive as viable emergency responders. They said the issue of vendor fees should be left to local jurisdiction.

Phil Barber, American Insurance Association, **Lyn Darrington**, representing State Farm Insurance Company; **Kent Lauer**, Idaho Farm Bureau; and **Michael Kane**, representing Property Casualty Insurers Association, testified **in support** of **H 647**, arguing that third-party vendors take excessive, unregulated markups on materials, which ultimately raise insurance costs for everyone and result in double taxation.

Committee members pursued comprehensive responses from those opposed to and in support of **H 647** relative to billing procedures, specific charges, hazmat practices, cost recovery, transparency, and general logistics issues.

Representative Perry summarized by thanking the firefighters for their important and vital work and pointed out that **H 647** pertains to motor vehicle incidents only, addresses the need for third party fee standardization and eliminates the issue of double taxation.

Committee members expressed appreciation for both sides of the argument but generally felt that consistency and transparency were required for third party vendor billings.

MOTION: **Representative Luker** made a motion to send **H 647** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Representative Perry** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 3:35 p.m.

Representative Barrett
Chair

Jeanne Clayton
Secretary