

MINUTES

SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, March 15, 2012
TIME: 1:30 P.M.
PLACE: Room WW54
MEMBERS PRESENT: Vice Chairman McKague, Senators Cameron, Goedde, Smyser, Tippetts, Johnson, and Schmidt
ABSENT/ EXCUSED: Chairman Andreason and Senator Stennett.

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 convened the meeting at 1:29 p.m.

H607 Relating to the Public Employee Retirement System (PERSI) Definition of Employee. **Representative Stevenson** stated this legislation deals with Section, 59-1302, *Idaho Code*, which are the PERSI definitions. The Cemetery District asked for permission to exempt one of their part-time employees from the PERSI program. In the process, they were denied because Cemetery Districts were not listed as an entity that is authorized in the legislation. They redraft H445 to allow this change in status for part-time cemetery employees using hours worked as the criteria this would effect part-time employees at the libraries. Previously, those individuals who could be exempt were city, counties and irrigation districts. **H607** includes Cemetery Districts and Mosquito Abatement Districts in this bill. They also have deleted the term "growing season" to allow the cities to use part-time people at different times of the year other than the growing season.

Alex Kenworth, representing Idaho Association of Government Employees, stated his concern with the legislation was on page 4, line 28 through 29, the striking of the terms "and the growing season." That striking this language municipalities could broaden the implementation or affect of the bill in the event. The road and bridge department employees could have snow removal interpreted as weather and not weather in the growing season.

Senator Cameron clarified that the "growing season" should not affect any transportation crews. This section of code was put in place to help counties and cities who had golf courses or other employees who did not meet the full definition of a full-time employee, they were by nature seasonal and this is the intent of line 28 through 29.

MOTION: **Senator Smyser** moved, seconded by **Senator Tippetts** to send **H607** to the floor with a do pass recommendation. The motion carried by **Voice Vote**. **Senator Smyser** will be the sponsor of the bill.

S1390 Relating to Certificates of Insurance. **Senator Goedde** advised certificates of insurance are documents provided by insurance agents for coverage of a section of time. These insurance agents are providing contracts with old language, sighting forms that are no longer authorized for use, and making statements that are very difficult to comply with. A subcontractor is the typical signer of one of these documents covering his work. All types of problems ensue with language and forms when the time for payment arrives.

The lending institutions for contractors have problems and concerns with the certificates of insurance. In the legislation before you they have added Section 2 that deals with binders. They have made provision for the attachment of supplemental forms. A binder has a box about 1/2" deep and 4" long which contains a fair amount of information. An attached schedule for this binder will satisfy the banks and other lenders as a supplement. The lenders suggested that the provider will have 90 days for expiration that it will continue until the endorsement or policy is issued. **Senator Goedde** asked that this bill be sent to the amending order to add a few more lines to the bill.

Mike Brassey, representing the Idaho Bankers Association, stated they are in support of S1390. In most loan documents there is a requirement that the debtor insure the collateral for the loan. Information that the lender and borrower can acquire to know that the borrower has satisfied their obligation. Because of the discussions they have had with other members of the industry and a number of provisions that other states have used they have arrived at the language in this bill. The Bankers have no objection to the amendment.

Michael Kane, representing Property Casualty Insurance Association of America, said they are in support of S1390. Their Association has asked that one sentence be added to the amendment. "This section shall not apply to any Certificate of Insurance prepared and/or issued by an insurer pursuant to any Federal law or regulation, or any other law or regulation of this State, in which the specific content and form of said certificate is enumerated therein, or a certificate issued to a person or entity that has purchased coverage under a master policy."

Randy Pipal, the principle of a small insurance agency in Boise, spoke in support of S1390. **Mr. Pipal** pointed out that this was just not an insurance industry issue. The other parties involved are general contractors and bankers. It is their intention to effect the contract negotiation between a general and a sub-contractor, protecting all parties involved with a standard form that cannot be altered.

MOTION: **Senator Tippetts** moved, seconded by **Vice Chairman McKague**, that **S1390** be referred to the 14th Order for amendment. The motion carried by **Voice Vote**. **Senator Goedde** will be the sponsor of the bill.

H645 Relating to Salaries of Members of the Public Utilities Commission. **Representative Loertscher** was not available for testimony. **Senator Tippetts** stated that it was his understanding that this bill is an attempt to be consistent with the 2% pay increase that the Legislature has given the state employees. Their compensation is established by the Legislature and this bill must be passed to give them the 2% increase.

Senator Smyser asked if the salary of the commissioners has been raised in the last four years? **Senator Cameron** replied that the commissioners salary has not been raised in four years and no other state employee's salary has been raised.

MOTION: **Senator Tippetts** moved, seconded by **Senator Schmidt**, to send **H645** to the floor with a do pass recommendation. The motion carried by **Voice Vote**. **Senator Tippetts** will be the sponsor of the bill.

There being no further business the meeting adjourned at 1:50 p.m.

Senator Andreason
Chairman

Carol Deis
Secretary