

MINUTES  
**HOUSE BUSINESS COMMITTEE**

- DATE:** Tuesday, January 15, 2013
- TIME:** 1:30 P.M.
- PLACE:** Room EW41
- MEMBERS:** Chairman Henderson, Vice Chairman Thompson, Representatives Collins, Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon
- ABSENT/  
EXCUSED:** None.
- GUESTS:** John Mackey, United Heritage Insurance Company; Ed Hawley, Administrative Rules; Bill Deal, Department of Insurance, Mary Hughes, Department of Finance; Bradley Berquist, Department of Finance; Jan Sylvester; Gavin Gee, Department of Finance; Brad Hunt, Office of Administrative Rules; Dennis Stevenson, Office of Administrative Rules; Kenny Calkins, Cloverdale Plumbing; Dave Jensen, Department of Finance; Joseph Jones, Department of Finance; Jennifer Visser, Gallatin, PA; Marilyn Chastain, Department of Finance  
Chairman Henderson called the meeting to order at 1:29 P.M.
- MOTION:** **Rep. Hixon** made a motion that the minutes of the January 9, 2013 meeting be approved. Motion carried by voice vote.  
**Dennis Stevenson**, Administrative Rules Coordinator for the Department of Administration reviewed the process of rule-making.  
**Gavin Gee Director**, Department of Finance outlined goals, objectives and financial implications of Rules under consideration. He outlined the history of Department of Finance, it's Mission Statement and structure.
- RS 21665:** **John Mackey**, United Heritage Insurance Company presented **RS 21665** which allows insurance companies the option to non-renew auto policies of those registered in states other than Idaho. **RS 21665** seeks to remedy an existing problem that occurs when an automobile covered by an Idaho insurance company is registered in another state, in which that particular insurance company is not licensed.
- MOTION:** **Rep. Palmer** made a motion to introduce **RS 21665**. Motion carried by voice vote.
- RS 21596:** **Michael Larsen**, Department of Finance, presented **RS 21596** which allows non-mortgage licensees the option of utilizing the Nationwide Mortgage Licensing System and Registry. This RS will allow the Director of the Department of Finance the authority to offer the option to obtain licenses on-line. It also allows for out of state licensing to occur.
- MOTION:** **Rep. Collins** moved to introduce **RS 21596**. Motion carried by voice vote.

**RS 21626:** **Mary Hughes**, Department of Finance presented **RS 21626**. This RS will amend the Idaho Bank Act and specifically the provisions which regulate the amount of loans that a bank may make to one person or related groups of persons. **Ms. Hughes** said that a change in federal law has made this amendment necessary. Specifically, federal law now requires that state law take into consideration a state-chartered bank's credit exposure to derivative transactions in order for state banks to engage in them. This legislation will allow state banks to engage in these derivative transactions as they always have, but will limit the transactions by capping the credit exposure a bank can have. **Ms. Hughes** said the failure to allow Idaho state-chartered banks to continue to engage in these transactions will limit their ability to manage risk, limit the types of credit they can make available, and place them at a competitive disadvantage with national banks and those banks chartered by other states. She said they have worked with the Idaho Bankers Association on the language of this bill, and are not aware of any opposition. She said nearly all other states have already amended their laws to comply with this federal mandate, or are in the process of amending them.

**MOTION:** **Rep. Collins** moved to introduce **RS 21626**. The motion carried by voice vote. Chairman Henderson turned the gavel over to Vice Chairman Thompson.

**RS 21606:** **Michael Larsen**, Department of Finance, said this RS will create a license reinstatement provision for persons with lapsed licenses wishing to reinstate them. He said that laws are already in place to deal with fraud and deceptive practices, however, the numbers of payday loan and title loan businesses is increasing. He said the proposed legislation would be an additional tool to take action against predatory lenders. He said that the objective of the RS is to regulate entities that advertise consumer loans made in Idaho and protect consumers from unlicensed lenders.

**MOTION:** **Rep. Morse** moved to introduce **RS 21606**. The motion carried by voice vote with opposition from **Rep. Barbieri** and **Rep. Palmer**.

**RS 21636:** **Michael Larsen**, Department of Finance. This RS amends the law to allow for a license reinstatement period. This proposed legislation would prove beneficial for licensees and result in less interruption in business as well as lower overhead expenses for the Department of Finance. The amendment would allow for a license application to be withdrawn after 60 days during which the applicant has failed to clear up any deficiencies in the application. This withdrawal of application by the licensee would not result in a denial of application. The RS defines the term "inactive license".

**MOTION:** **Rep. Gannon** moved to introduce **RS 21636**. The motion carried by voice vote with opposition from **Rep. Barbieri**, **Rep. Monks**, and **Rep. Palmer**.

**ADJOURN:** There being no further business to come before the Committee, the meeting was adjourned at 3:17 P.M.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

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Representative Thompson  
Vice Chair