

MINUTES

HOUSE JUDICIARY, RULES, & ADMINISTRATION COMMITTEE

- DATE:** Monday, March 25, 2013
- TIME:** 1:30 pm or Upon Adjournment
- PLACE:** Room EW42
- MEMBERS:** Chairman Wills, Vice Chairman Luker, Representatives Nielsen, Bolz, Bateman, McMillan, Perry, Sims, Dayley, Horman, Malek, Packer, Patterson, Trujillo, Burgoyne, Meline, Ringo
- ABSENT/
EXCUSED:** Rep. Luker; Rep. Sims; Rep. Malek
- GUESTS:** Kandace Yearsley, IDHW; Elisha Figueroa, Office of Drug Policy; Corinna Owsley, Idaho Sate Police; Matthew Gamette, Idaho State Police; Paul Jackson, Farmers Group Insurance; Phil Barber, American Insurance Association; Angela Richards, American Family, Allstate, Farm Bureau Insurance Co.; Mike Kane, PCI; Barbara Jorden, ITLA; Woody Richards, American Family
- Chairman Wills** called the meeting to order at 1:35 p.m.
- MOTION:** **Rep. Bolz** made a motion to approve the minutes of March 15, 2013. **Motion carried by voice vote.**
- MOTION:** **Rep. Bolz** made a motion to approve the minutes of March 19, 2013. **Motion carried by voice vote.**
- MOTION:** **Rep. Bolz** made a motion to approve the minutes of March 21, 2013. **Motion carried by voice vote.**
- S 1165:** **Lyn Darrington**, Farmer's Insurance, presented **S 1165**. She said this bill makes a change in Section 1 that only affects uninsured and under-insured motor claims which are essentially personal injury claims. She talked about *Hill vs. American Family Insurance* and how that case changed out exhaustion of underlying liability claims. She explained how since there is no longer exhaustion of the underlying liability, the process takes longer. She explained this bills gives insurers up to 60 days to complete the investigation and make a settlement offer before attorney's fees may become part of the claim.
- MOTION:** **Rep. Packer** made a motion to send **S 1165** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Packer** will sponsor the bill on the floor.
- S 1136:** **Elisha Figueroa**, Idaho Office of Drug Policy, presented **S 1136**. She said this bill concerns the scheduling of "spice" as an illegal drug. She explained that it is necessary to update Idaho's controlled substances statutes in order to cover the ever changing chemical compounds.
- In response to questions, **Corinna Owsley**, forensic chemist with Idaho State Police (ISP), said this change broadens the general classes. She said the chemical components of the drugs are changing constantly and this legislation specifically lists the families of drugs seen thus far. She said these chemical compounds are being developed for medical research, and most are sold online to the average citizens as "research chemicals". She said she couldn't speak to the toxic effects of these drugs but said they are being used for recreational purposes, not medicinal.
- In response to questions, **Elisha Figueroa** said the officers are saying that this drug seems to be addictive and the people they have observed under the influence are very agitated and are a danger to themselves and others.

MOTION: **Rep. Nielsen** made a motion to send **S 1136** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Patterson** will sponsor the bill on the floor.

S 1119: **Kandace Yearsley**, IDHW, presented **S 1119**. She said she was here to answer the questions of the committee that arose during the hearing on the house floor.

In response to questions, **Ms. Yearsley** said this legislation was brought to satisfy a federal requirement that all wage withholding be processed using this standardized federal form. She said this form makes it very clear to employers what to do with the money and alleviates the need to process the wage withholding through an attorney. She explained that the changes to the Social Security Act made by the federal government made it made this wording a state plan requirement. Idaho did not have a state plan so this bill is essentially a pass through by the federal government. She said the wording of the support order is key but this bill relates specifically to wage withholding and it requires wage withholding to be on the federally standardized form and go through the Department of Health and Welfare. She said this bill would not affect those paying child support directly.

MOTION: **Rep. Perry** made a motion to send **S 1119** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Trujillo** will sponsor the bill on the floor.

S 1109: **Jim Rice** presented **S 1109**. He said this bill deals with what the bankruptcy trustee can recover for creditors. He explained how this bill makes funds put into a deferred annuity account within six months of a bankruptcy filing recoverable by the trustee. He said currently you could make a deposit into a deferred annuity account within a day of bankruptcy filing and those funds would be exempt which defeats the purpose of the bankruptcy protections. He said this loophole was brought to the attention of the legislatures by one of the bankruptcy judges.

In response to questions, he said the bankruptcy code gives debtors a choice between federal or state exemptions. He said if debtors meet certain residential criteria, they may opt to use Idaho exemptions and that time frame is six months of residence. He said that six months is the typical "look back" period in bankruptcy cases. He explained how it must be proven that debtors intended to hide money or assets from creditors in order to be charged with defrauding creditors and this deferred annuity does not hide anything, creating a loophole in the bankruptcy protections.

MOTION: **Rep. Ringo** made a motion to send **S 1109** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Nielsen** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:08 p.m.

Representative Wills
Chair

Danelle Heath
Secretary