

**AMENDED AGENDA #1**  
**HOUSE BUSINESS COMMITTEE**  
**12:45 P.M.**  
**Room EW41**  
**Wednesday, January 09, 2013**

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| <b>SUBJECT</b> | <b>DESCRIPTION</b>  | <b>PRESENTER</b> |
|----------------|---|------------------|
|                | Organizational  |                  |
|                | - Introductions of Committee Secretary and Committee Page |                  |
|                | - Committee Program to Review Administrative Rules        |                  |
|                | - Scheduling of Upcoming Meetings                         |                  |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Henderson      Rep Batt  
Vice Chairman Thompson      Rep Agidius  
Rep Collins      Rep Clow  
Rep Crane      Rep Hixon  
Rep Palmer      Rep Kauffman  
Rep Barbieri      Rep Monks

COMMITTEE SECRETARY

Catherine Costner  
Room: EW58  
Phone: 332-1139  
email: [hbus@house.idaho.gov](mailto:hbus@house.idaho.gov)

MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Wednesday, January 09, 2013  
**TIME:** 12:45 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  
**ABSENT/  
EXCUSED:** Gannon  
**GUESTS:** Colby Cameron, Sullivan and Roberge.

**Chairman Henderson** called the meeting to order at 12:45 P.M.

**Chairman Henderson** welcomed the committee and announced the brevity of the meeting would allow for all Representatives to attend the event "Ethics and the Idaho Legislature" taking place at 1:30 P.M. Committee Secretary, **Catherine Costner**, was asked to introduce herself.

**Chairman Henderson** gave a brief synopsis of the Idaho rule making process. The House Business Committee will address twenty-three rules. Four of these rules are fee based. Nineteen rules are "Pending" and are not associated with any fees. He then announced that **Vice Chairman Thompson** will oversee the Rules Subcommittees.

Vice Chairman Thompson introduced three (3) Rules Subcommittees as follows:

Division of Building Safety

**Rep. Rick Youngblood, Chairman**  
**Rep. Cindy Agidius**  
**Rep. Brandon Hixon**  
**Rep. Jason A. Monks**  
**Rep. John Rusche**

Bureau of Occupational Licensing/Board of Accountancy/ Dept. of Finance

**Rep. Thyra Stevenson, Chairman**  
**Rep. Lance Clow**  
**Rep. Gayle Batt**  
**Rep. Elaine Smith**

Board of Licensure of Professional Engineers & Professional Land Surveyors/ Dept. of Insurance

**Rep. Vito Barbieri, Chairman**  
**Rep. Ed Morse**  
**Rep. Clark Kauffman**  
**Rep. John Gannon**

**Vice Chairman Thompson** noted that The Idaho Legislature Homepage has hotlinks which will direct the Committee Members to an online copy of the House Business Rules.

**Chairman Henderson** noted that the deadline for Review of Administrative Rules will be soon and asked that the Subcommittees begin work promptly.

**Chairman Henderson** announced that no meeting of the Business Committee is scheduled for Friday, January 11, 2013.

**Chairman Henderson** recognized **Paul Jackson**, of Farmer's Insurance who announced an upcoming informational session for legislators. Idaho Fraud Awareness will be held Thursday, January 10, 2013, at 2:30 PM in Room EW05.

**ADJOURN:**

There being no further business to come before the Committee, the meeting was adjourned at 12:58 PM.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

**AMENDED AGENDA #2**  
**HOUSE BUSINESS COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Tuesday, January 15, 2013**

| <b>SUBJECT</b>          | <b>DESCRIPTION</b>   | <b>PRESENTER</b>                                 |
|-------------------------|--|--|
|                         | Rules 101 Presentation   | Dennis Stevenson,<br>Admin. Rules<br>Coordinator |
|                         | <u>Department of Finance</u>   | Gavin Gee, Director,<br>Dept. of Finance         |
| <a href="#">RS21665</a> | Insurance Companies to Non-Renew Policies of Automobiles registered in States other than Idaho.  | John Mackey, United<br>Heritage Insurance        |
| <a href="#">RS21596</a> | Non Mortgage Licensees the Option of Utilizing the Nationwide Mortgage Licensing System and Registry for license application as an alternative to existing licensing programs. | Michael Larsen, Dept.<br>of Finance              |
| <a href="#">RS21626</a> | State Chartered Bank's Credit Exposure to Derivative Transactions  | Michael Larsen, Dept.<br>of Finance              |
| <a href="#">RS21606</a> | Idaho Credit Code Licensing Requirement To Advertise Or Solicit Consumer Loans.  | Michael Larsen, Dept.<br>of Finance              |
| <a href="#">RS21636</a> | Licensing Provisions for the Idaho Residential Mortgage Practices Act  | Michael Larsen, Dept.<br>of Finance              |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

|                        |              |                |
|------------------------|--------------|----------------|
| Chairman Henderson     | Rep Batt     | Rep Morse      |
| Vice Chairman Thompson | Rep Agidius  | Rep Stevenson  |
| Rep Collins            | Rep Clow     | Rep Youngblood |
| Rep Crane              | Rep Hixon    | Rep Smith      |
| Rep Palmer             | Rep Kauffman | Rep Rusche     |
| Rep Barbieri           | Rep Monks    | Rep Gannon     |

COMMITTEE SECRETARY

Catherine Costner  
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Phone: 332-1139  
email: hbus@house.idaho.gov

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

AGENDA  
**HOUSE BUSINESS COMMITTEE  
BARBIERI SUBCOMMITTEE**

Rules  
7:30 A.M.  
Room EW 32

Tuesday, January 15, 2013

| <b>DOCKET NO.</b>                   | <b>DESCRIPTION</b>   | <b>PRESENTER</b>   |
|-------------------------------------|--|--|
| <a href="#"><u>10-0101-1201</u></a> | Board of Licensure of Professional Engineers & Professional Land Surveyors - Rules of Procedure              | David Curtis, P.E,<br>Exec. Director of The Board of Engrs & Land Surveyors. |
| <a href="#"><u>10-0104-1201</u></a> | Board of Licensure of Professional Engineers & Land Surveyors - Rules of Continuing Professional Development | David Curtis, P.E,<br>Exec. Director of The Board of Engrs & Land Surveyors. |
| <a href="#"><u>12-0110-1201</u></a> | Dept. of Insurance - Idaho Residential Mortgage Practices Act - Definitions                                  | Bill Deal, Director, and Tom Donovan, Dept. of Insurance                     |
| <a href="#"><u>18-0109-1201</u></a> | Dept. of Insurance - Consumer Protection in Annuity Transactions   | Bill Deal, Director, and Tom Donovan, Dept. of Insurance                     |
| <a href="#"><u>18-0109-1202</u></a> | Dept. of Insurance - Suitability in Annuity Transactions   | Bill Deal, Director, and Tom Donovan, Dept. of Insurance                     |
| <a href="#"><u>18-0119-1201</u></a> | Dept. of Insurance -Insurance Rates and Credit Rating  | Bill Deal, Director, and Tom Donovan, Dept. of Insurance                     |
| <a href="#"><u>18-0156-1201</u></a> | Dept. of Insurance - Rebates and Illegal Inducements to Obtaining title Insurance Business                   | Bill Deal, Director, and Tom Donovan, Dept. of Insurance                     |
| <a href="#"><u>18-0144-1201</u></a> | Dept. of Insurance - Schedule of Fees, Licenses and Miscellaneous Charges                                    | Bill Deal, Director, and Tom Donovan, Dept. of Insurance                     |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Barbieri  
Rep.Barbieri  
Rep.Morse  
Rep.Gannon  
Rep.Kauffman

COMMITTEE SECRETARY

Catherine Costner  
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MINUTES  
**HOUSE BUSINESS COMMITTEE**  
**BARBIERI SUBCOMMITTEE**  
Administrative Rules

- DATE:** Tuesday, January 15, 2013
- TIME:** 7:30 A.M.
- PLACE:** Room EW 32
- MEMBERS:** Chairman Barbieri, Representatives Morse, Gannon, Kauffman
- ABSENT/  
EXCUSED:** None.
- GUESTS:** John Mackey, United Heritage Insurance; Ed Hawley, State of Idaho Administrative Rules
- Chairman Barbieri** called the meeting order at 7:34 A.M.
- DOCKET NO. 10-0101-1201:** **Mr. David Curtis, P.E.**, Executive Director, Idaho Board of Engineers and Land Surveyors, presented **Docket No. 10-0101-1201**. He said **H 374** of the 2012 Session restricts assignment to examination for initial licensing or certification of the Professional Engineers & Land Surveyors to Idaho residents with some exceptions. He reviewed the exceptions which include military personnel in Idaho, persons employed full-time in Idaho, and persons who live in border communities. He stated it also excepts students at Idaho universities. Mr. Curtis said this rule also allows as proof of residency: a driver's license, a utility bill with an Idaho address, a statement from a financial institution, voter registration in Idaho, or vehicle registration in Idaho. He said the rule also accepts as proof of full-time employment, a statement from the Idaho employer and it accepts a student ID card as proof of enrollment in an Idaho university.
- DOCKET NO. 10-0104-1201:** **Mr. Curtis**, Idaho Board of Engineers and Land Surveyors, presented **Docket No. 10-0104-1201**, noting that it has the support of professional engineering and surveying societies and associations in Idaho. He said the rule presented to the 2012 Legislative Session inadvertently exempted permanent non-residents of the United States from compliance with the Rules of Continuing Professional Development. This amendment to the rule eliminates that exemption by stating that it does not apply to permanent non-residents of the United States.
- MOTION:** **Rep. Morse** made a motion to recommend approval of **Docket Nos. 10-0101-1201** and **Docket No. 10-0104-1201** to the full committee. **Motion carried by voice vote.**
- DOCKET NOS. 18-0109-1201  
18-0109-1202:** **Mr. Tom Donovan**, Idaho Department of Insurance, said both dockets are negotiated rules. Mr. Donovan stated that this rule has the support of insurance trade groups and NAIFA. The rule clarifies the meaning of the term "suitable recommendations" as it applies to an insurance agent or producer offering "suitable recommendations" to a consumer, based upon the consumer's age, financial expertise, risk tolerance and experience. Furthermore, the rule requires four Continuing Education Units for new producers which apply to this term with regard to industry ethics. He said current producers will be allowed a six month phase-in period in which to acquire the additional four Continuing Education Units.
- MOTION:** **Rep. Morse** made a motion to recommend approval of **Docket No. 18-0109-1201** and **Docket No. 18-0109-1202** to the full committee. **Motion carried by voice vote.**

**DOCKET NO. 18-0119-1202:** **Mr. Donovan**, Idaho Department of Insurance, testified that this docket amends an existing rule. This amendment addresses the use of credit scoring in determining insurance rates for consumers. The amendment allows for a neutral credit factor in the credit scoring model along with other models. Mr. Donovan noted that some states have banned the practice of using credit scores to determine insurance rates. He cited actuarial data that supports credit scores as a predictor of potential loss. The amendment inserts the word "Idaho" on page 89 in the language which is based upon the Federal law.

**MOTION:** **Rep. Morse** made a motion to recommend approval of **Docket No. 18-0119-1202** to the full committee. **Motion carried by voice vote.**

**DOCKET NO. 18-0156-1201:** **Mr. Donovan**, Idaho Department of Insurance, testified that Rule 56 limits title companies from offering rebates and/or inducements while it permits title companies to provide plat maps and copies of titles for a fee. He said this amendment further defines the term "Producers of Title" within the text of the rule.

In accordance with House Rule 38, **Rep. Morse** disclosed that he is a licensed real estate agent, a licensed real estate broker and a licensed real estate appraiser.

In accordance with House Rule 38, **Rep. Gannon** disclosed that he is a licensed attorney.

**MOTION:** **Rep. Kauffman** made a motion to recommend approval of **Docket No. 18-0156-1201** to the full committee. **Motion carried by voice vote.**

**DOCKET NO. 18-0144-1201:** **Mr. Donovan**, Idaho Department of Insurance, testified that this rule allows for initial licensing and renewal of licenses for providers of insurance for portable electronic devices (Portable Electronics Insurance). He stated the fees are \$1,000 for the initial license and \$500 for renewal of each license. Mr. Donovan said there is a typo throughout the rule that has been corrected.

**Mr. Ed Hawley**, Idaho Administrative Rules Department, said the second issue of fee increase involves fingerprinting fees associated with licensing. He said the rule asks for an increase of the fingerprinting fee from a current \$60.00 to an amount not-to-exceed \$80.00. The fingerprint fee is a total of fees from a vendor, the Idaho State Police, and the Department of Insurance. The Idaho State Police has increased their component of the fees from \$10.00 to \$25.00, which is the primary reason for the increase in the total fingerprinting fee.

**MOTION:** **Rep. Morse** made a motion to recommend approval of **Docket No. 18-0144-1201** to the full committee with the correction of typographical errors. **Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the Subcommittee, the meeting was adjourned at 8:41 A.M.

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Representative Barbieri  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE  
STEVENSON SUBCOMMITTEE**  
Upon Adjournment of the Full Committee  
Room EW41  
Tuesday, January 15, 2013

| <b>DOCKET NO.</b>                   | <b>DESCRIPTION</b>   | <b>PRESENTER</b>                              |
|-------------------------------------|--|---|
| <a href="#"><u>01-0101-1201</u></a> | Idaho Accountancy Rules  | Kent A. Absec, Idaho Board Accountancy        |
| <a href="#"><u>24-0101-1201</u></a> | Rules of the Board of Architectural Examiners                  | Roger Hales, Bureau of Occupational Licensing |
| <a href="#"><u>24-1801-1201</u></a> | Rules of the Real Estate Appraiser board                       | Roger Hales, Bureau of Occupational Licensing |
| <a href="#"><u>24-2501-1201</u></a> | Rules of the Idaho Driving Businesses Licensure Board          | Roger Hales, Bureau of Occupational Licensing |
| <a href="#"><u>24-0401-1201</u></a> | Rules of the Idaho Board of Cosmetology                        | Roger Hales, Bureau of Occupational Licensing |
| <a href="#"><u>12-0110-1201</u></a> | Rules Pursuant to the Idaho Residential Mortgage Practices Act | Michael Larsen, Dept Finance                  |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Stevenson  
Rep.Clow  
Rep.Batt  
Rep.Smith

COMMITTEE SECRETARY

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Phone: 332-1139  
email: hbus@house.idaho.gov

MINUTES  
**HOUSE BUSINESS COMMITTEE**  
**STEVENSON SUBCOMMITTEE**  
Rules

**DATE:** Tuesday, January 15, 2013

**TIME:** Upon Adjournment of the Full Committee

**PLACE:** Room EW41

**MEMBERS:** Chairman Stevenson, Representatives Clow, Batt, Smith

**ABSENT/  
EXCUSED:** None.

**GUESTS:** Peter Rockwell, Architect, AIA; Larry Benton, Idaho Architects

**Chairman Stevenson** called the meeting to order at 3:39 P.M.

**DOCKET NO. 01-0101-1201:** **Kent Absec**, Executive Director of the Idaho Board of Accountancy, presented **Docket No. 01-0101-1201** which amends the rules for continuing professional education in order to qualify internet and distance learning programs. The purpose of this rule is to set new standards for internet learning as well as alternate methods for calculating credits for internet learning.

**MOTION:** **Representative Batt** made a motion to recommend **Docket No. 01-0101-1201** to the full committee for approval. **Motion carried by voice vote.**

**DOCKET NO. 24-0101-1201:** **Roger Hales**, Bureau of Occupational Licensing, presented **Docket No. 24-0101-1201** which further defines the terms "responsible control" and "direct supervision" He said that architects are obligated to take a national exam consisting of nine sections in order to be licensed by the National Council of Architectural Registration Boards, NCARB. Each of the nine sections is taken separately. He said that this docket also amends the rules by setting forth a time frame of five years in which all exam sections will be passed. He said this rule eliminates intern registration with the Idaho Board of Occupational Licensing.

**MOTION:** **Representative Smith** made a motion to send **Docket No. 24-0101-1201** to the full committee without recommendation for further discussion. **Motion carried by voice vote.**

**DOCKET NO. 24-1801-1201:** **Roger Hales**, Bureau of Occupational Licensing, presented testimony **Docket No. 24-1801-1201** which adopts a Temporary Rule allowing for on-line education for pre-licensure and continuing education. He explained that the rule also clarifies the process and the approval of on-line provider courses and expands the availability of on-line continuing education necessary for licensure.

**MOTION:** **Representative Clow** made a motion to recommend **Docket No. 24-0801-1201** to the full committee for approval. **Motion carried by voice vote.**

**DOCKET NO. 24-2501-1201:** **Roger Hales**, Bureau of Occupational Licensing, presented **Docket No. 24-2501-1201** and said the rule is further clarified by the addition of the phrase "consecutive calendar". He said the purpose of the rule is to place limits on how often to use a branch office. He said that additional language in the rule is to limit teaching to no longer than a 6 hour period in each day.

**MOTION:** **Representative Clow** made a motion to recommend **Docket No. 24-2501-1201** to the full committee for approval. **Motion failed on a tie vote by voice vote.**

**MOTION:** **Representative Batt** made a motion to forward **Docket No. 24-2501-1201** to the full committee without recommendation. **Motion carried by voice vote.**

**DOCKET NO. 24-0401-1201:** **Roger Hales**, Bureau of Occupational Licensing, presented **Docket No. 24-0401-1201**, saying this rule deletes certain references to "fees" in the language of the rule. It also replaces the term "instructor trainees" with "student Instructors".

**MOTION:** **Rep. Batt** made a motion to recommend approval of **Docket No. 24-0401-1201** to the full committee. **Motion carried by voice vote.**

**DOCKET NO. 12-0110-1201:** **Michael Larsen**, Department of Finance, presented **Docket No. 12-0110-1201** which amends the Idaho Mortgage Practices Act and updates references to federal laws and regulations. The proposed rule also includes a definition of the Nationwide Mortgage Licensing System and the Registry Policy Guidebook.

**MOTION:** **Rep. Smith** made a motion to recommend approval of **Docket No. 12-0110-1201** to the full committee. **Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the subcommittee the meeting adjourned at 4:19 p.m.

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Representative Stevenson  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE  
YOUNGBLOOD SUBCOMMITTEE**

Rules  
**12:00 P.M.  
EW32**

**Wednesday, January 16, 2013**

| <b>DOCKET NO.</b>                   | <b>DESCRIPTION</b>   | <b>PRESENTER</b>                        |
|-------------------------------------|--|---|
| <a href="#"><u>07-0203-1201</u></a> | Division of Building Safety - Rules Governing Permit Fee Schedule  | Steve Keys, Division of Building Safety |
| <a href="#"><u>07-0204-1201</u></a> | Division of Building Safety - Rules Governing Plumbing Safety Inspections  | Steve Keys, Division of Building Safety |
| <a href="#"><u>07-0206-1201</u></a> | Division of Building Safety - Rules Concerning Uniform Building Code   | Steve Keys, Division of Building Safety |
| <a href="#"><u>07-0301-1201</u></a> | Division of Building Safety - Rules of Building Safety   | Steve Keys, Division of Building Safety |
| <a href="#"><u>07-0301-1202</u></a> | Division of Building Safety - Rules of Building Safety   | Steve Keys, Division of Building Safety |
| <a href="#"><u>07-0501-1202</u></a> | Division of Building Safety - Rules of the Public Works Contractors License Board                                | Steve Keys, Division of Building Safety |
| <a href="#"><u>07-0701-1201</u></a> | Division of Building Safety - Rules Governing Installation of Heating, Ventilation, and Air Conditioning Systems | Steve Keys, Division of Building Safety |
| <a href="#"><u>07-0701-1202</u></a> | Division of Building Safety - Rules Governing Installation of Heating, Ventilation, and Air Conditioning Systems | Steve Keys, Division of Building Safety |
| <a href="#"><u>07-0312-1201</u></a> | Division of Building Safety - Rules Governing Manufactured or Mobile Home Installations                          | Steve Keys, Division of Building Safety |
| <a href="#"><u>07-0501-1201</u></a> | Division of Building Safety - Rules of the Public Works Contractors License Board                                | Steve Keys, Division of Building Safety |

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COMMITTEE MEMBERS

Chairman Youngblood  
Rep.Youngblood  
Rep.Agidius  
Rep.Hixon  
Rep.Monks  
Rep.Rusche

COMMITTEE SECRETARY

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MINUTES  
**HOUSE BUSINESS COMMITTEE**  
**YOUNGBLOOD SUBCOMMITTEE**  
Administrative Rules

**DATE:** Wednesday, January 16, 2013  
**TIME:** 12:00 P.M.  
**PLACE:** EW32  
**MEMBERS:** Chairman Youngblood, Agidius, Hixon, Monks, Rusche  
**ABSENT/  
EXCUSED:** None.  
**GUESTS:** Marty Durand, Idaho Building Trades Council; Tony Smith, American Institute of Architects; Ed Hawley, State of Idaho Administrative Rules; Carey Benton, Benton Ellis Architects  
**Chairman Youngblood** called the meeting to order at 12:04 P.M.  
**Steve Keys**, Division of Building Safety, presented the Subcommittee with a handout explaining the Administrative Rules for the Division of Building Safety. (See Attached).  
**MOTION:** **Representative Monks** made a motion to recommend approval of **Docket Nos. 07-0203-1201, 07-0204-1201, 07-0206-1201, 07-0301-1201, 07-0301-1202, 07-0501-1202, 07-0701-1201, 07-0701-1202, 07-0312-1201, 07-0501-1201** to the full Committee. **Motion carried by voice vote.**  
**ADJOURN:** There being no further business to come before the Subcommittee, the meeting was adjourned at 12:10 P.M.

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Representative Youngblood  
Chair

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Catherine Costner  
Secretary

**AMENDED AGENDA #1**  
**HOUSE BUSINESS COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Thursday, January 17, 2013**

| <b>SUBJECT</b>                 | <b>DESCRIPTION</b>   | <b>PRESENTER</b>                           |
|--------------------------------|--|--|
|                                | Reports of Subcommittee Recommendations  | Rep. Thompson                              |
|                                | Idaho Association of Commerce and Industry   | Alex LaBeau,<br>President                  |
| <a href="#"><u>RS21720</u></a> | Licensing of Services Companies Included in the<br>Manufactured Housing Licensing Statute. | Jack Lyman, Idaho<br>Housing Alliance      |
| <a href="#"><u>RS21576</u></a> | HVAC Installation  | Steve Keys, Division<br>of Building Safety |
| <a href="#"><u>RS21594</u></a> | Plumbers, Competency Certificates  | Steve Keys                                 |
| <a href="#"><u>RS21677</u></a> | Plumbing, Med Gas/Vacuum Systems   | Steve Keys                                 |

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COMMITTEE MEMBERS

|                        |              |                |
|------------------------|--------------|----------------|
| Chairman Henderson     | Rep Batt     | Rep Morse      |
| Vice Chairman Thompson | Rep Agidius  | Rep Stevenson  |
| Rep Collins            | Rep Clow     | Rep Youngblood |
| Rep Crane              | Rep Hixon    | Rep Smith      |
| Rep Palmer             | Rep Kauffman | Rep Rusche     |
| Rep Barbieri           | Rep Monks    | Rep Gannon     |

COMMITTEE SECRETARY

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MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Thursday, January 17, 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:** Leon Duce, Association of Idaho Cities; Marty Durand, Idaho BTC; John Eaton, Realtors; Jack Lyman, Idaho Housing Alliance; Jerry Peterson, Division of Building Safety; Tony Smith, American Institute Architects; Russell Westerberg

**Chairman Henderson** called the meeting to order at 1:31 p.m.

**Vice Chairman Thompson** asked for the Subcommittee reports from their respective Chairmen. He stated actions will be taken on them next week.

**Rep. Stevenson** said the Administrative Rules Subcommittee assigned to the Bureau of Occupational Licensing, the Board of Accountancy and the Department of Finance rules met and recommends approval of all Pending and Fee Rules reviewed with the exception of **Docket No. 24-2501-1201** and **Docket No. 24-0101-1201** which they send without recommendation.

**Rep. Youngblood** said the Administrative Rules Subcommittee assigned to the Division of Building Safety rules met and recommends approval of all Pending and Fee Rules reviewed without exception.

**Rep. Barbieri** said the Administrative Rules Subcommittee assigned to the Board of Licensed Engineers & Surveyors and the Department of Insurance rules met and recommends approval of all Pending and Fee Rules reviewed without exception.

**RS 21720:** **Jack Lyman**, Idaho Housing Alliance, said this legislation amends the section of the manufactured housing licensing statute by eliminating the category of service company. He said it also amends background checks to other categories of licensing to track better with the Idaho State Police Department.

In response to questions comparing installer and service company terms, **Mr. Lyman** responded that they were originally interchangeable terms but now are broken out into two separate categories. The legislation will continue to license installers.

**MOTION:** **Rep. Morse** made a motion to introduce **RS 21720. Motion carried by voice vote.**

**RS 21576:** **Jerry Peterson**, HVAC Program Manager, Division of Building Safety, stated this legislation clarifies permissive language to allow plumbers to perform installation of fuel piping, steam and chilled water piping and hot water boiler systems. He said these changes were brought from the plumbing agency and was not aware of any opposition.

**MOTION:** **Rep. Rusche** made a motion to introduce **RS 21576. Motion carried by voice vote.**

**RS 21594:** **Jerry Peterson**, Division of Building Safety, explained this legislation modifies the exemption of licenses to employee's maintenance personnel to be limited to repair/replacement of existing plumbing and require a licensed plumber to perform alterations, extensions or new construction.

The committee asked questions regarding scope and definitions.

**MOTION:** **Rep. Thompson** made a motion to introduce **RS 21594**. **Motion carried by voice vote.**

**RS 21677:** **Jerry Peterson**, Division of Building Safety, presented this legislation stating it expands the plumbing definitions to include medical gas and medical vacuum systems. And to would allow the Division of Building Safety to inspect these systems. He is not aware of any opposition.

The Committee asked questions regarding installations and inspections.

**MOTION:** **Rep. Crane** made a motion to **HOLD RS 21677** in committee Subject to the Call of the Chair. **Motion carried by voice vote.**

**Alex LaBeau**, President, Idaho Association of Commerce and Industry, gave an overview of the agency. It is a statewide organization that started in 1974 and focuses on broad based issues to their membership. They have probusiness policies in a wide diversity of fields of business membership and encourages businesses to invest in the state of Idaho. He spoke about the key accomplishments in it's history; to include accomplishments in transportation, water conservation, environment, education and technology. He reviewed the future items/issues they are working on, including property tax laws, water quality, environment protection and education reform.

In response to questions regarding internet tax, **Mr. LaBeau** stated they have not taken up the issue yet with their members. It could be issues of selling programs over the internet to be taxed or just a tax on using internet or cloud computing. In response to questions regarding 'streamline tax', Mr. LaBeau stated it is a way to equalize the process where taxes were paid on similar products when buying an item from an internet-only company that you can also buy in a store in Idaho.

**ADJOURN:** There being no further business to come before the Committee the meeting was adjourned at 2:15 p.m.

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Representative Henderson  
Chair

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Jackie Wright  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE  
STEVENSON SUBCOMMITTEE**  
Pending Rule  
Prior to Meeting of Full Committee  
Room EW41  
Wednesday, January 23, 2013

1:15 P.M.

| <b>DOCKET NO.</b>            | <b>DESCRIPTION</b>                            | <b>PRESENTER</b>                              |
|------------------------------|---|---|
| <a href="#">24-0101-1201</a> | Rules of the Board of Architectural Examiners | Roger Hales, Bureau of Occupational Licensing |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Stevenson  
Rep.Batt  
Rep.Clow  
Rep.Smith  
Rep.Stevenson

COMMITTEE SECRETARY

Catherine Costner  
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Phone: 332-1139  
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MINUTES  
**HOUSE BUSINESS COMMITTEE**  
**STEVENSON SUBCOMMITTEE**  
Pending Rule

**DATE:** Wednesday, January 23, 2013

**TIME:** 1:15 P.M.

**PLACE:** Room EW41

**MEMBERS:** Chairman Stevenson, Representatives Batt, Clow, Smith

**ABSENT/  
EXCUSED:** None.

**GUESTS:** Tony Smith, American Institute of Architects; Roger Hales, Bureau of Occupational Licensing, Board of Architects; Peter Rockwell, Architect, AIA.  
The meeting was called to order at 1:17 P.M.

**MINUTES:** **Rep.Clow** made a motion to approve the minutes of meeting held on 1/15/2013. Motion carried by voice vote.

**DOCKET NO.  
24-0101-1201** **Mr. Roger Hales**, Bureau of Occupational Licenses, presented **Docket No. 24-0101-1201**, Rules of the Board of Architectural Examiners.

**MOTION:** **Rep. Batt** made a motion to recommend approval of **Docket No. 24-0101-1201** with the exception of pending rule Subsection 550.03, which is rejected in its entirety, to the full committee. Motion carried by voice vote.

**ADJOURN:** There being no further business before the subcommittee, the meeting was adjourned at 1:24 P.M.

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Representative Stevenson  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Wednesday, January 23, 2013**

| SUBJECT                      | DESCRIPTION   | PRESENTER   |
|------------------------------|---|---|
|                              | Subcommittee Minutes  |   |
| <a href="#">RS21605</a>      | International Fire Code - Enforcement of Exiting Requirements       | Mark Larson,<br>Department of Insurance           |
| <a href="#">RS21580</a>      | Authorization of Engineers and Land Surveyors to Certify Elevations | David Curtis, Board of Engineers & Land Surveyors |
| <a href="#">RS21622</a>      | Collection of Fees for Background Checks                            | Tana Cory, Bureau of Occupational Licenses        |
| <a href="#">RS21639</a>      | Architectural Internship and Examination                            | Roger Hales, Bureau of Occupational Licenses      |
| <a href="#">24-2501-1201</a> | Rules of the Idaho Driving Businesses Licensure Board               | Roger Hales, Bureau of Occupational Licenses      |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Henderson      Rep Batt  
Vice Chairman Thompson      Rep Agidius  
Rep Collins      Rep Clow  
Rep Crane      Rep Hixon  
Rep Palmer      Rep Kauffman  
Rep Barbieri      Rep Monks

Rep Morse  
Rep Stevenson  
Rep Youngblood  
Rep Smith  
Rep Rusche  
Rep Gannon

COMMITTEE SECRETARY

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MINUTES  
**HOUSE BUSINESS COMMITTEE**

- DATE:** Wednesday, January 23, 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:** Roger Hales, Bureau of Occupation Licenses; David Curtis, Board of Professional Engineers & Land Surveyors; Tana Cory, Division of Occupational Licensing; Dennis Stevenson, Idaho Administrative Rules Coordinator; Mark Larson, Division of Insurance; Fernando Castro, Department of Health and Welfare; Lynn Tominaga, Idaho Ground Water Association (IGWA)
- Chairman Henderson called the meeting to order at 1:30 P.M.
- MOTION:** **Rep. Hixon** made a motion to approve the Minutes of January 15, 2013. **Motion carried by voice vote.**
- MOTION:** **Rep.Hixon** made a motion to approve the Minutes of January 17, 2013. **Motion carried by voice vote.**
- MOTION:** **Rep. Barbieri** made a motion to approve the January 15, 2013 Minutes of the Barbieri Rules Subcommittee. **Motion carried by voice vote.**
- MOTION:** **Rep. Youngblood** made a motion to approve the January 16, 2013 Minutes of the Youngblood Rules Subcommittee. **Motion carried by voice vote.**
- MOTION:** **Rep.Stevenson** made a motion to accept the recommendations of Youngblood Rules Subcommittee, with the exception of **Docket No. 07-0206-1201**. **Motion carried by voice vote.**
- MOTION:** **Rep. Crane** made a motion to send **Docket No. 07-0206-1201** back to the Youngblood Rules Subcommittee. **Motion carried by voice vote.**
- MOTION:** **Rep Kauffman** made a motion to accept the recommendations of Barbieri Rules Subcommittee. **Motion carried by voice vote.**
- MOTION:** **Rep. Batt** made a motion to approve the January 15, 2013 Minutes of the Stevenson Rules Subcommittee . **Motion carried by voice vote.**
- MOTION:** **Rep. Smith** made a motion to accept the recommendations of the Stevenson Rules Subcommittee. **Motion carried by voice vote.**
- RS 21605:** **Mark Larson**, Department of Insurance, presented **RS 21605** which repeals outdated segments of the Idaho Fire Code, thereby bringing the code into conformity with the International Fire Code.
- MOTION:** **Rep. Rusche** made a motion to introduce **RS 21605**. **Rep. Crane** invoked Rule 38 stating a possible conflict of interest. **Motion carried by voice vote.**

**RS 21580** **David Curtis**, Board of Engineers & Land Surveyors, presented **RS 21580** which allows licensed engineers and land surveyors to certify elevations for the purposes of flood zone designation. He said this RS allows the Board of Engineers and Land Surveyors to dismiss trivial complaints in pursuing disciplinary actions as well as allowing the Board to reinstate a revoked license by hearing. He said the RS clarifies the process of issuing lost wall certificates as well as allows for the term "lost corner" to be replaced by the term "obliterated corner" in the text except in cases where evidence of the lost corner can be found.

**MOTION:** **Rep. Morse** made a motion to introduce **RS 21580**. **Motion carried by voice vote.**

**RS 21622** **Tana Cory**, Bureau of Occupational Licenses, presented **RS 21622**. She said this RS allows the Bureau to collect fees required by law for certain professions and then pay Idaho State Police for the background check portion of the fees. **Major Clark Rollins**, Idaho State Police, stated due to a to change in policy the Idaho State Police can no longer collect fees the Bureau requires for performing background check for occupational licenses. He said that only the agency requesting the background check can collect such fees.

**MOTION:** **Rep. Rusche** made a motion to introduce **RS 21622**.

**SUBSTITUTE MOTION:** **Rep. Barbieri** made a substitute motion to return **RS 21622** to the sponsor.

**ROLL CALL VOTE:** Roll call vote was requested. **Substitute Motion failed by a tied vote of 9 AYE and 9 NAY. Voting in favor** of the motion: **Reps. Crane, Palmer, Barbieri, Batt, Agidius, Hixon, Monks, Stevenson, Youngblood. Voting in opposition** to the motion: **Reps. Thompson, Collins, Clow, Kauffman, Morse, Smith, Rusche, Gannon, Henderson.**

**ROLL CALL VOTE:** Roll call vote was requested. **Original Motion failed by a tied vote of 9 AYE and 9 NAY. Voting in favor** of the motion: **Reps. Thompson, Collins, Clow, Kauffman, Morse, Smith, Rusche, Gannon, Henderson. Voting in opposition** to the motion: **Reps. Crane, Palmer, Barbieri, Batt, Agidius, Hixon, Monks, Stevenson, Youngblood.**

**RS 21639** **Roger Hales**, Board of Architectural Examiners, presented **RS 21639** which updates the rules for internship and examination. He said that a three year internship is no longer required, noting that there are a specific number of successfully completed education modules required in place of the internship. He said that this RS eliminates the requirement to register the names of architectural firms and eliminates a section on foreign architectural corporations practicing in the state, as only individuals, not corporations, are licensed in Idaho.

**MOTION:** **Rep. Batt** made a motion to introduce **RS 21639**. **Motion carried by voice vote.**

**DOCKET NO. 24-2501-1201** **Roger Hales**, Bureau of Occupational Licensing, presented the Rules of the Idaho Driving Business Licensure Board. He said two changes were made to the Rule. He said Idaho driving businesses are limited to operation of a branch location for not more than sixty consecutive calendar days. He also said the number of classroom hours provided to a student are limited to six hours in a twenty-four hour period.

**MOTION:** **Rep. Hixon** made a motion to reject **Docket No. 24-2501-1201**.

**SUBSTITUTE MOTION:** **Rep Batt** made a substitute motion to accept **Docket No. 24-2501-1201** with the exception of **Subsection 07 (A)**. **Substitute Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the committee the meeting was adjourned at 2:35 P.M.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

**AMENDED AGENDA #1**  
**HOUSE BUSINESS COMMITTEE**  
**YOUNGBLOOD SUBCOMMITTEE**  
Upon Adjournment of the House Session  
Room E403  
Thursday, January 24, 2013

| <b>DOCKET NO.</b>                   | <b>DESCRIPTION</b>                     | <b>PRESENTER</b> |
|-------------------------------------|--|------------------|
| <a href="#"><u>07-0206-1201</u></a> | Rules Concerning Uniform Plumbing Code |                  |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Youngblood  
Rep.Youngblood  
Rep.Agidius  
Rep.Hixon  
Rep.Monks  
Rep.Rusche

COMMITTEE SECRETARY

Catherine Costner  
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email: hbus@house.idaho.gov

MINUTES  
**HOUSE BUSINESS COMMITTEE  
YOUNGBLOOD SUBCOMMITTEE**

**DATE:** Thursday, January 24, 2013  
**TIME:** Upon Adjournment of the House Session  
**PLACE:** Room E403  
**MEMBERS:** Chairman Youngblood, Hixon, Rusche  
**ABSENT/  
EXCUSED:** Agidius, Monks  
**GUESTS:** Dennis Stevenson, Administrative Rules Coordinator  
The meeting was called to order at 12:10 P.M.  
**DOCKET NO.  
07-0206-1201** Rules Concerning Uniform Plumbing Code. Discussion of the subcommittee concerned page 28, Section 505.1 Location Add the following paragraph at the end of section 505.1 (3) Water heaters shall not be located in a crawl space.  
**MOTION:** **Rep.Rusche** made a motion to recommend approval of **Docket No. 07-0206-1201** to the full committee with the exception of Section 505.1 Location. Add the following paragraph at the end of section 505.1 (3) Water heaters shall not be located in a crawl space, which shall be stricken in its entirety. **Motion was carried by voice vote.**  
**ADJOURN:** There being no further business before the subcommittee, the meeting was adjourned at 12:16 P.M.

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Representative Youngblood  
Chair

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Catherine Costner  
Secretary

**AMENDED AGENDA #1**  
**HOUSE BUSINESS COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Tuesday, January 29, 2013**

| <b>SUBJECT</b>                          | <b>DESCRIPTION</b>   | <b>PRESENTER</b>  |
|---|--|---|
|   | Report of Stevenson Rules Subcommittee   |   |
|   | Report of Youngblood Rules Subcommittee  |   |
|   | National Mortgage Settlement Status Update   | Brian Kane, Office of the Attorney General  |
|   | Business Development and Idaho Community Banks   | Ron Jacobson, Inland Northwest Bank   |
| <a href="#">RS21741</a>                 | Recording a Rescission of Trust Deed   | Kris Ellis, Idaho Land Title Association  |
| <a href="#">RS21736</a>                 | Relating to Insurance - Discount for Certain Motorcycle Riders                                     | Rep. Mark Patterson   |
| <a href="#">RS21677</a>                 | Plumbing, Med Gas/Vacuum Systems   | Steve Keys, Division of Building Safety   |
| <a href="#">H 11</a>                    | Allowing Idaho Insurance Companies to Non-Renew Policies of Automobiles Registered in other States | John Mackey, United Heritage Insurance  |
| Docket No. <a href="#">07-0206-1201</a> | Rules of the Plumbing Code   | Steve Keys, Division of Building Safety;<br>Bruce Van Camp, Idaho Water Quality Association |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

|                        |              |                |
|------------------------|--------------|----------------|
| Chairman Henderson     | Rep Batt     | Rep Morse      |
| Vice Chairman Thompson | Rep Agidius  | Rep Stevenson  |
| Rep Collins            | Rep Clow     | Rep Youngblood |
| Rep Crane              | Rep Hixon    | Rep Smith      |
| Rep Palmer             | Rep Kauffman | Rep Rusche     |
| Rep Barbieri           | Rep Monks    | Rep Gannon     |

COMMITTEE SECRETARY

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MINUTES  
**HOUSE BUSINESS COMMITTEE**

- DATE:** Tuesday, January 29, 2013
- TIME:** 1:30 P.M.
- PLACE:** Room EW41
- MEMBERS:** Chairman Henderson, Vice Chairman Thompson, Representatives Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Rusche, Gannon
- ABSENT/  
EXCUSED:** Rep. Collins
- GUESTS:** Larry Benton, Idaho Land Title Association
- Chairman Henderson** called the meeting to order at 1:30 P.M.
- MOTION:** **Rep. Batt** made a motion to approve the minutes of the Stevenson Rules Subcommittee of January 23, 2013. **Motion carried by voice vote.**
- MOTION:** **Rep. Hixon** made a motion to accept the report of the Stevenson Rules Subcommittee. **Motion carried by voice vote.**
- MOTION:** **Rep. Hixon** made a motion to approve the minutes of the Youngblood Rules Subcommittee of January 24, 2013. **Motion carried by voice vote.**
- MOTION:** **Rep. Rusche** made a motion to accept the report of the Youngblood Rules Subcommittee. **Motion carried by voice vote.**
- Brett de Lange**, Office of the Attorney General, presented an update on the National Mortgage Settlement. He said one year ago staff members from the Office of Attorney General made a presentation to this committee to announce a settlement bringing demonstrable relief to mortgage holders who had been victimized during the mortgage and lending crisis. He said a consent judgement had been reached with five loan service companies which resolved loan origination issues and other practice violations. He said the settlement monies were allocated to affected individuals via mortgage relief, principle reductions, rate reductions, funds to foreclosed families, education on home buying, funding of housing councils, and hiring a State Housing Specialist.
- Ron Jacobson**, Senior Vice President, Inland Northwest Bank, gave a presentation about business development and Idaho community banks. He said the Dodd-Frank Act, resulting from negative acts of large banking institutions, has forced small community banks to hire risk managers. He said the added regulatory burden negatively affects service to the community and local economic development. He characterized Idaho community banks as financial first responders who assist with job creation by lending locally. He said Idaho's community banks help to stabilize local economy through local decision-making and growth.
- RS 21741:** **Kris Ellis**, Idaho Land Title Association, presented **RS 21741** which records a rescission of trust deed. She said this is a housekeeping measure to clarify inconsistencies in the statute. She defined rescission as the process of unwinding the sale of a property. She said the purpose of this clarification is to eliminate a 15 day gap from date of sale to date of recording.
- MOTION:** **Rep. Rusche** made a motion to introduce **RS 21741** . **Motion carried by voice vote.**

- RS 21736:** **Rep. Mark Patterson** presented **RS 21736** which will require insurance companies to disclose in their annual reports whether they will or will not provide a discount to motorcycle policy holders when the policy holders have taken an approved course of motorcycle safety training. He said this disclosure will allow the motorcycle dealerships and insurers to gather such information for these purposes should they so choose.
- MOTION:** **Rep. Crane** made a motion to introduce **RS 21736**. **Motion carried by voice vote.**
- RS 21677:** **Steve Keys**, Division of Building Safety, presented **RS 21677** which amends the statutory definition of plumbing systems to include medical gas and medical vacuum systems. He said the Plumbing Board wishes that inspection of such systems are performed by properly certified individuals, in addition to medical industry installation specialists who currently inspect such systems. **John Nielson**, Division of Building Safety, was introduced to take technical questions.
- MOTION:** **Rep. Crane** made a motion to return **RS 21677** to the sponsor. **Motion carried by voice vote.**
- H 11:** **John Mackey**, United Heritage Insurance, presented **H 11** amending Idaho code to allow insurance companies to non-renew policies for automobiles registered in states other than in Idaho.
- MOTION:** **Rep. Barbieri** made a motion to send **H 11** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Morse** and **Rep. Hixon** will sponsor the bill on the floor.
- DOCKET NO. 07-0206-1201** **Steve Keys**, Division of Building Safety, presented **Docket No. 07-0206-1201** Rules of the Plumbing Code. Full committee acted on the Subcommittee Report read by **Rep. Youngblood** regarding **Docket No. 07-0206-1201**. No further action is taken.
- ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:52 P.M.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
1:30 P.M.  
Room EW41  
Thursday, January 31, 2013

| <b>SUBJECT</b>            | <b>DESCRIPTION</b>   | <b>PRESENTER</b>  |
|---------------------------|--|---|
| <a href="#">RS21641C1</a> | Title 41 Holding Company Systems   | Tom Donovan,<br>Department of<br>Insurance                |
| <a href="#">H 45</a>      | Relating to Engineers and Land Surveyors   | David Curtis, Board of<br>Engineers and Land<br>Surveyors |
| <a href="#">H 46</a>      | Relating to Fire Escapes and Doors   | Mark Larsen, Dept of<br>Insurance                         |
| <a href="#">H 28</a>      | Relating to Manufactured Home Dealer and<br>Installer Licensing  | Jack Lyman, Idaho<br>Housing Alliance                     |
| <a href="#">H 26</a>      | Relating to the Installation of Heating, Ventilation<br>and Air Conditioning Systems   | Steve Keys, Division<br>of Building Safety                |
| <a href="#">H 27</a>      | Relating to Plumbers: Amending Idaho Code<br>to Revise Provisions Relating to Exceptions<br>Regarding Certificates of Competency | Steve Keys, Division<br>of Building Safety                |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

|                        |              |                |
|------------------------|--------------|----------------|
| Chairman Henderson     | Rep Batt     | Rep Morse      |
| Vice Chairman Thompson | Rep Agidius  | Rep Stevenson  |
| Rep Collins            | Rep Clow     | Rep Youngblood |
| Rep Crane              | Rep Hixon    | Rep Smith      |
| Rep Palmer             | Rep Kauffman | Rep Rusche     |
| Rep Barbieri           | Rep Monks    | Rep Gannon     |

COMMITTEE SECRETARY

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MINUTES  
**HOUSE BUSINESS COMMITTEE**

- DATE:** Thursday, January 31, 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:** Steve Keys, Division of Building Safety; Mark Larson, Dept. of Insurance/ State Fire Marshall; Bill Deal, Dept. of Insurance; Tom Donovan, Dept. of Insurance; Dave Curtis, Board of Professional Engineers and Land Surveyors; Matt Keenan, Idaho Reporter; Jack Lyman, Idaho Housing Alliance; Rod Clary, Plumber; John Nielsen, Division of Building Safety; Russell Westerberg; Marty Durand, Idaho Building Trades Council; Steve Martinez, Idaho Building Trades Council; Julie Taylor, Blue Cross; Woody Reclas, Insurance; Colby Cameron, Sullivan and Roberges
- Chairman Henderson** called the meeting to order at 1:30 P.M.
- MOTION:** **Rep. Hixon** made a motion to approve the minutes of January 23, 2013. **Motion carried by voice vote.**
- RS 21641C1:** **Tom Donovan**, Department of Insurance, presented **RS 21641C1**, which repeals and rewrites Title 41, Chapter 38 Holding Company Systems. He said many of the existing provisions of the law will remain. He said the new proposed Chapter 38 is an updated National Association of Insurance Commissioners (NAIC) model law, designed to provide more detailed monitoring for systemic risk issues that might exist in non-insurance affiliates of an insurance company and could ultimately jeopardize the solvency of the insurer. He said **RS 21641C1** requires insurance companies to file a notice before there is a change in controlling interest of the company. He said the changes include a requirement to file an annual registration statement. He said the Enterprise Risk Report is an additional requirement in the annual report and that new provisions expand management oversight requirements.
- MOTION:** **Rep. Collins** made a motion to introduce **RS 21641C1**. **Motion carried by voice vote.**
- H 45:** **David Curtis**, Board of Engineers and Land Surveyors presented **H 45** Relating to Engineers and Land Surveyors. He said the definition of the term "obliterated corner" is added and replaces the term "lost corner" in the section of the Idaho Code about reestablishing a corner location through testimony or under oath. He said the bill authorizes engineers and land surveyors to certify elevations as necessary to qualify for FEMA flood insurance. He said the bill changes the word "trivial" to the term "de minimus" as it pertains to the ability of the Board to dismiss disciplinary charges against a licensed individual if the charges are found to be unfounded. He said the bill allows the Board of Engineers and Land Surveyors to reissue or reinstate a license by affirmative vote and addresses reissuance of lost wall certificates.
- MOTION:** **Rep. Thompson** made a motion to send **H 45** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Clow** will sponsor the bill on the floor.

- H 46:** **Mark Larsen**, Department of Insurance, presented **H 46** Relating to Fire Escapes and Doors. He said the bill repeals outdated sections of the Code.
- MOTION:** **Rep. Kauffman** made a motion to send **H 46** to the floor with **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Kauffman** will sponsor the bill on the floor.
- H 28:** **Jack Lyman**, Idaho Housing Alliance, presented **H 28**, Relating to Manufactured Home Dealer and Installer Licensing. He said any manufactured home installed in Idaho must meet a national building code administered by the U. S. Department of Housing and Urban Development (HUD). He said HUD does not have jurisdiction over these homes after they have been properly installed. He said therefore there is no need to require a separate manufactured home service company license. He said **H 28** provides that alterations to these homes will be subject to the same local requirements as those applicable to site-built homes. He said the bill also amends provisions related to background checks required for the other license categories to make them consistent with current Idaho State Police procedures.
- MOTION:** **Rep. Thompson** made a motion to send **H 28** the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Batt** will sponsor the bill on the floor.
- H 26:** **Steve Keys**, Division of Building Safety, presented **H 26** Relating to the Installation of Heating, Ventilation and Air Conditioning Systems. He said this bill clarifies the permissive language for the licensed plumber to perform work of installed fuel gas piping, steam and chilled water piping and hot water boiler systems. He said that this amendment would clarify that a holder of either a plumbing or HVAC license may make such installations.
- MOTION:** **Rep. Youngblood** made a motion to send **H 26** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Youngblood** will sponsor the bill on the floor.
- H 27:** **Steve Keys**, Division of Building Safety, presented **H 27** Relating to Plumbers: Amending Idaho Code to Revise Provisions Relating to Exceptions Regarding Certificates of Competency. He said this bill modifies existing language so that any new installation work, modifications or expansions of commercial properties shall be performed by duly licensed journeymen plumbers.**John Nielson**, Plumbing Program Manager, Division of Building Safety was introduced to answer technical questions.
- Ms. Marty Durand**, Idaho Building Trades Council, **spoke in support** of the bill in the interest of public safety.
- MOTION:** **Rep. Palmer** made a motion to send **H 27** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Reps. Barbieri and Batt** requested that they be recorded as voting **NAY.** **Rep. Palmer** will sponsor the bill on the floor.
- ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:23 P.M.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

**AMENDED AGENDA #1**  
**HOUSE BUSINESS COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Tuesday, February 05, 2013**

| <b>SUBJECT</b>          | <b>DESCRIPTION</b>   | <b>PRESENTER</b>  |
|-------------------------|--|---|
| <a href="#">RS21843</a> | Relating to the Idaho Opportunity Fund   | Jeff Sayer, Dept. of Commerce   |
| <a href="#">H 9</a>     | Relating to Limitations of Loans, Investments, Practices - Derivatives<br><br>Derivatives  | Mary Hughes, Dept. of Finance<br><br>Curt Hecker, CEO, Panhandle State Bank |
| <a href="#">H 7</a>     | Relating to Dept. of Finance - Amends Code to Authorize Director to Offer Non-Mortgage licensees the option of using the Nationwide Mortgage Licensing System and Registry | Michael Larsen, Dept. of Finance  |
| <a href="#">H10</a>     | Relating to Idaho Residential Mortgage Practices Act   | Michael Larsen, Dept. of Finance  |
| <a href="#">H 8</a>     | Relating to Commercial Transactions (Consumer or Pay Day Loans)  | Michael Larsen, Dept. of Finance  |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Henderson      Rep Batt  
Vice Chairman Thompson      Rep Agidius  
Rep Collins      Rep Clow  
Rep Crane      Rep Hixon  
Rep Palmer      Rep Kauffman  
Rep Barbieri      Rep Monks

Rep Morse  
Rep Stevenson  
Rep Youngblood  
Rep Smith  
Rep Rusche  
Rep Gannon

COMMITTEE SECRETARY

Catherine Costner  
Room: EW58  
Phone: 332-1139  
email: [hbus@house.idaho.gov](mailto:hbus@house.idaho.gov)

MINUTES  
**HOUSE BUSINESS COMMITTEE**

- DATE:** Tuesday, February 05, 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:** Michael Larsen, Dept. of Finance; Ken Howell, Idaho Bankers Association; Russell Westerberg, Rocky Mountain Power; Raeleen Welton, Westerberg and Associates; Brian Nicholas, Idaho Attorney General's Office; Gavin Gee, Idaho Dept. of Finance; Tyler Porter, Idaho Association of Mortgage Professionals; Teri Ottens, Idaho Association of Mortgage Professionals; Ray Stark, Boise Metro Chamber of Commerce; Mike Brassey, Idaho Financial Services Association; Mary Hughes, Idaho Dept. of Finance; Dawn Justice, Idaho Bankers Association; Jana Jones, Boise Valley Economic Partnership; Bradley Bergquist, Dept. of Finance; Joseph Jones, Dept. of Finance; Megan Ronk, Dept. of Commerce; Jeff Sayer, Dept. of Commerce
- Chairman Henderson** called the meeting to order at 1:30 P.M.
- MOTION:** **Rep. Hixon** made a motion to approve the Minutes of the January 29, 2013. **Motion carried by voice vote.**
- MOTION:** **Rep. Hixon** made a motion to approve the Minutes of the January 31, 2013. **Motion carried by voice vote.**
- RS 21843** **Jeff Sayer**, Dept. of Commerce, presented **RS 21843**, relating to the Idaho Opportunity Fund. He said this incorporates best practices that will help Idaho become more competitive in attracting and retaining businesses by building upon an existing Director's Fund and incorporating principles on how business development grants will be administered. He said grants of the Idaho Opportunity Fund will have three criteria: 1. Community matching funds are required, 2. A negotiated arrangement will be achieved specifying the number of jobs created and the amount of capital investment a potential grantee would bring to Idaho, 3. Grant funds will be disbursed after performance objectives are met. He said this RS formally establishes the fund in statute. He clarified helping existing Idaho companies expand or new companies to relocate to our state is the sole purpose of this RS and grant monies would only be used for infrastructure improvements. He said the current portfolio in Director's Fund is \$400,000 and the Idaho Opportunity Fund would add \$3,000,000 as a one time start up with no federal funds added. He added that this RS does not have a request for annual appropriations.
- MOTION:** **Rep. Thompson** made a motion to introduce **RS 21843** . **Motion carried by voice vote.**

**H 9:** **Mary Hughes**, Dept. of Finance, presented **H 9** relating to Limitations of Loans, Investments, Practices of Derivatives. She said **H 9** amends the amount of loans a bank can make to a person or a group of persons and brings Idaho law into compliance with federal law. She said many banks engage in non-complex derivatives for the purpose of mitigating interest rate fluctuation. She defined derivatives as financial contracts which derive value from something other than deposits, such as mortgage rates. She said risk exposure created by derivative transactions is limited by capping, therefore managing risk for small community banks. She said this is being mandated by federal law.

**Curt Hecker**, CEO, Panhandle State Bank **spoke in support of H 9**. He said a derivative is a financial contract that derives its value from market values of an underlying instrument (loans and deposits) and that banks use derivatives for hedging activities. He said the benefits are that Idaho community banks can stay competitive with large national, out of state banks and that it supports Idaho deposits returning to Idaho communities. He said bank regulators and Idaho Dept. of Finance are sensitive to risk and evaluate the community banks accordingly. He said that this is a risk mitigation tool and not a profit making tool.

**Ken Howell**, General Council Idaho Bankers Association, **spoke in support of H 9**. He said prior to enactment of the Dodd-Frank Act, there was no restriction on banks engaging derivative transactions. He said the Dodd-Frank Act imposed restrictions on use of derivatives and stressed the importance of Idaho banks compliance with and be allowed to use derivatives as this levels the playing field for national banks and state chartered banks. He said virtually every state in the union has examined their state laws and have needed to address their laws in order to come into compliance with the Dodd-Frank Act.

**Gavin Gee**, Department of Finance, **spoke in support of H 9** and stood for technical questions.

In accordance with House Rule 38, **Rep. Youngblood** disclosed that he is employed by the banking industry and that he does intend to vote in support of **H 9**.

**MOTION:** **Rep. Youngblood** made a motion to send **H 9** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Youngblood** will sponsor the bill on the floor.

**H 7:** **Michael Larsen**, Dept. of Finance, presented **H 7**, which authorizes the Director to offer non mortgage licensees the option of using the on-line Nationwide Mortgage Licensing System and Registry. He said on-line initialization and maintaining of professional licenses is of great interest among collection agency licensees and consumer lending industries and does not apply to banks and deposit institutions. He said use of this on-line registry will result in efficiencies for the Department of Finance as employees can respond quicker to applications and that it promotes uniformity in the application process.

**MOTION:** **Rep. Thompson** made a motion to send **H 7** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Clow** will sponsor the bill on the floor.

**H 10:** **Michael Larsen**, Dept. of Finance, presented **H 10**, an amendment to the Idaho Residential Mortgages Practices Act. He introduced **Tyler Porter**, President, and **Terry Ottens**, of the Idaho Association of Mortgage Professional as **supporters of H 10**. He said this measure: 1. Amends license renewal procedures to allow for a 60 day renewal period, providing less interruption of business, 2. License applications may be held for 60 days giving applicants time to complete the requirements of the application and after 60 days the application may be withdrawn without incurring a denial. He noted that a record of denial of applications can be detrimental to businesses. 3. Allows for a licensee to maintain an inactive license status. He said this gives licensees the ability to move from one type of employer to another without having to reapply for a new license, thereby helping people get new jobs. 4. These amendments must be made to Idaho SAFE Act under State authority otherwise the federal government will come in and provide this regulation.

**Tyler Porter**, Idaho Association of Mortgage Professionals **spoke in support of H 10**, citing in his speech close work with the Idaho Department of Finance in crafting this House bill.

**Brian Nicholas**, Department of the Attorney General, spoke regarding provisions of subpoena authority by the Department of Finance contained in **H 10**. He said the Department of Finance would have to have a reasonable basis to believe that an unlicensed individual was providing mortgage broker services in order to issue a subpoena.

**MOTION:** **Rep. Hixon** made a motion to send **H 10** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Hixon** will sponsor the bill on the floor.

**H 8:** **Michael Larsen**, Dept. of Finance, presented **H 8**, relating to Commercial Transactions (Consumer or Pay Day Loans). He said the purpose of this bill is to amend the Idaho Credit Code to clarify that a license is required to advertise or solicit to make consumer loans in Idaho. He said this answers complaints by consumers who engaged with on-line consumer lending businesses. He said this does not affect banks or other depository institutions.

**Mike Brassey**, Idaho Financial Services Association, **spoke in support of H 8**.

**MOTION:** **Rep. Smith** made a motion to send **H 8** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Smith** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 3:18 P.M.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
1:30 P.M.  
Room EW41  
Thursday, February 07, 2013

| <b>SUBJECT</b>            | <b>DESCRIPTION</b>   | <b>PRESENTER</b>                             |
|---------------------------|--|--|
|                           | Department of Commerce - Business Development Programs   | Jeff Sayers, Dept. of Commerce               |
| <a href="#">H 54</a>      | Relating to Insurance Producers: Addition of a New Section to Provide that Producers May Participate in Health Insurance Exchange.   | Rep. Lynn Luker                              |
| <a href="#">H 74</a>      | Relating to Board of Architectural Examiners   | Roger Hales, Bureau of Occupational Licenses |
| <a href="#">RS21622C1</a> | Bureau of Occupational Licenses - to Provide that the Bureau May Collect and Pay Certain Fees Relating to Criminal Background Checks | Tana Cory, Bureau of Occupational Licenses   |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Henderson      Rep Batt  
Vice Chairman Thompson      Rep Agidius  
Rep Collins      Rep Clow  
Rep Crane      Rep Hixon  
Rep Palmer      Rep Kauffman  
Rep Barbieri      Rep Monks

Rep Morse  
Rep Stevenson  
Rep Youngblood  
Rep Smith  
Rep Rusche  
Rep Gannon

COMMITTEE SECRETARY

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MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Thursday, February 07, 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:** Rep. Thompson

**GUESTS:** Roger Hales, Bureau of Occupational Licenses; Tana Cory, Bureau of Occupational Licenses; Megan Ronk, Idaho Department of Commerce; Jeff Sayer, Idaho Department of Commerce; Raeleen Welston, Westerberg & Associates; Shoni Pegram, Office of the Governor; Anita Hamann, Department of Financial Management; Amy Wernsing, Office of the Governor; Tony Smith, American Institute of Architects; Dawn Peck, Idaho State Police; Russell Westerberg, Westerberg and Associates; Suzanne Budge SBS Associates, LLC.

**Chairman Henderson** called the meeting to order at 1:30 P.M.

**MOTION:** **Rep. Rusche** made a motion to approve the minutes of February 5, 2013. **Motion carried by voice vote.**

**Jeffrey Sayer**, Director, Idaho Department of Commerce, presented the goals and programs of his Department. He said there are three foci: 1. Protect and Retain Idaho Businesses, 2. Grow Existing Idaho Businesses, 3. Attract New Businesses through three foundation principles: 1. Low Cost Environment, 2. Robust Workforce, 3. Strong Infrastructure. Mr. Sayer highlighted some of the state programs. He mentioned LINE, Leadership in Nuclear Engineering; Governor Otter's Project 60, and IGEM, Driving Industry through Innovation as well as the Idaho Procurement Technical Assistance Center (PTAC) .

**H 54:** **Rep. Lynn Luker** presented **H 54**, which allows insurance producers to participate in the health insurance exchange. He said this is a collateral bill which enables insurance producers to participate in the marketplace regardless of the decision made about the insurance exchange by promulgating the necessary rules. He noted that **H 54** has the support of insurance producers. **Rep. Luker** and **Rep. Hixon** will co-sponsor the bill on the floor.

**MOTION:** **Rep. Hixon** made a motion to send **H 54** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Gannon** requested to be recorded as voting **NAY**.

**H 74:** **Roger Hales**, Bureau of Occupational Licenses, presented **H 74**, relating to the Board of Architectural Examiners. He said this bill eliminates internship as the National Council of Architectural Examiners Board (NCARB) has changed the requirements from a length of time to a system of educational modules. He said the language gives the Idaho Board of Architectural Examiners more leeway in determining length of probation as well as two new grounds for discipline: 1. Wrongful conduct outside of the state of Idaho, 2. Failure to comply with Board ordered discipline. He said the bill eliminates registration of firm names and limitations on foreign corporation architectural practices as licenses are issued to individuals not entities. He said that the Idaho Chapter of the American Institute of Architects has no opposition to **H 74**.

**MOTION:** **Rep. Collins** made a motion to send **H 74** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Hixon** requested to be recorded as voting **NAY** vote be recorded. **Rep. Gannon** will sponsor the bill on the floor.

**RS 21622C1** **Tana Cory**, Bureau of Occupational Licenses, presented **RS 21622C1** which provides that the Bureau may collect and pay certain fees relating to criminal background checks. She said two business licenses, Residential Care and Driving Businesses, require background checks which are performed by the Idaho State Police. She said the Idaho State Police require that the Bureau of Occupational Licenses collect the fees for background checks.

**MOTION:** **Rep. Palmer** made a motion to introduce **RS 21622C1**. **Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:52 P.M.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
1:30 P.M.  
Room EW41  
Monday, February 11, 2013

| <b>SUBJECT</b>        | <b>DESCRIPTION</b>     | <b>PRESENTER</b>                                   |
|-----------------------|------------------------|--|
| <a href="#">H 100</a> | Idaho Opportunity Fund | Rep. Thompson,<br>Jeff Sayer, Dept. of<br>Commerce |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

|                        |              |                |
|------------------------|--------------|----------------|
| Chairman Henderson     | Rep Batt     | Rep Morse      |
| Vice Chairman Thompson | Rep Agidius  | Rep Stevenson  |
| Rep Collins            | Rep Clow     | Rep Youngblood |
| Rep Crane              | Rep Hixon    | Rep Smith      |
| Rep Palmer             | Rep Kauffman | Rep Rusche     |
| Rep Barbieri           | Rep Monks    | Rep Gannon     |

COMMITTEE SECRETARY

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MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Monday, February 11, 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:** Wayne Hoffman, Idaho Freedom Foundation; Megan Ronk, Idaho Dept. of Commerce; Jeff Snyder, Idaho Dept. of Commerce; Matt Keenan, Idaho Reporter; Russell Westerberg, Westerberg and Associates; Elizabeth Criner, NWFPA; Ray Stark, Boise Metro Chamber of Commerce; Miguel Legarna, Ratoes; Jeremy Pisca, Jobs for Idaho; Clark Raus, BVEP, Jobs for Idaho

**Chairman Henderson** called the meeting to order at 1:29 P.M.

**Rep. Hixon** made a motion to approve the minutes of February 7, 2013. **Motion carried by voice vote.**

**H 100**

**Jeff Sayer**, Director of the Department of Commerce, presented **H 100**, Idaho Opportunity Fund. He said **H 100** will create a competitive advantage for Idaho in attracting companies to Idaho and to aid existing companies to expand. He gave an overview of past efforts and successes of the Director's Fund which is currently in place and from which this Fund will derive. He said the Idaho Opportunity Fund structure creates transparency and invests only in permanent infrastructure solutions for communities. He said \$400,000 currently in the Director's Fund will formally establish the Idaho Opportunity Fund. He said a one time infusion of \$3 million has been requested. He said the first objective is to approve legislation to set up the Idaho Opportunity Fund in statute. He outlined the requirements of the Fund: 1. A community match which can be monies, in-kind, labor, materials, 2. Negotiated terms as to the number of jobs created, how much capital investment, and set time limits, 3. State grant funds are disbursed after performance based objectives have been accomplished. He said this guarantees a return on investment for Idaho. He said additional funds can be applied from Community Development Block Grants and other federal grants. He said the primary focus is to bring new business to Idaho and expand existing businesses, and that new business start-up funding is not anticipated as other funds are available for this purpose. He said future requests for appropriation will not be made until reports and analysis of the Idaho Opportunity Fund investments reveal a satisfactory return on investment and achievement of performance goals. He said this improves upon the structure of the Director's Fund which currently operates solely at the Director's discretion.

**Wayne Hoffman**, Executive Director, Idaho Freedom Foundation, **spoke in opposition to H 100**. He said the term "reasonable jobs" should not be determined by government. He noted these types of arrangements cause issues to arise, as reflected in past situations in other states whereby grant funds are not tracked. He said he did not find the costs of putting forth the programs were not evaluated. He said he favors creating jobs by lowering taxes and eliminating regulatory barriers. He said he disagrees with the rule making authority invested in the Director without limitations, guidelines, and legislative oversight or direction and does not find provisions for performance agreements set forth in clear language. He said the provisions for local match which may include money, labor, and in-kind assets allows small jurisdictions to designate the "in kind" and therefore could lead to favoritism.

**Clark Kraus**, Boise Valley Economic Partnership, **spoke in support of H 100**. He said his sales missions offering Idaho sites to prospective companies are increasing with business from other states, Europe and Asia expressing interest. He said **H 100** is a tool that may make a difference in attracting and growing more jobs for Idaho. He supports **H 100** as performance based legislation with set deliverables, accountability, transparency, and time limits.

**Jeff Sayer** closed the discussion by affirming that state monies will be safeguarded and Idaho will become more competitive in bringing businesses and jobs to Idaho.

**MOTION:** **Rep. Agidius** made a motion to send **H 100** to the House with a **DO PASS** recommendation. **Motion carried by voice vote. Chairman Henderson** and **Rep. Thompson** will sponsor **H 100**.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:53 P.M.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
1:30 P.M.  
Room EW41  
Wednesday, February 13, 2013

| <b>SUBJECT</b>        | <b>DESCRIPTION</b>   | <b>PRESENTER</b>  |
|-----------------------|--|---|
|                       | Encouraging Innovation Through Technology Deployment   | Steve McMaster,<br>Director INL<br>Technology<br>Deployment |
| <a href="#">H 127</a> | To Provide that the Bureau of Occupational Licenses may collect and pay certain fees relating to criminal background checks. | Tana Cory, Bureau of<br>Occupational Licenses               |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Henderson      Rep Batt  
Vice Chairman Thompson      Rep Agidius  
Rep Collins      Rep Clow  
Rep Crane      Rep Hixon  
Rep Palmer      Rep Kauffman  
Rep Barbieri      Rep Monks

Rep Morse  
Rep Stevenson  
Rep Youngblood  
Rep Smith  
Rep Rusche  
Rep Gannon

COMMITTEE SECRETARY

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MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Wednesday, February 13, 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:** Dawn Peck, Idaho State Police; Shelly Lewis; Tana Cory, Bureau of Occupational Licenses; Brenda Tominaga, Idaho Rural Water Association.

**Chairman Henderson** called the meeting to order at 1:31 P.M.

**MOTION:** **Rep. Hixon** made a motion to approve the minutes of February 11, 2013. **Motion carried by voice vote.**

**Brian Whitlock**, Manager of State Government Relations, introduced the Technology Deployment Program at Idaho Nuclear Laboratory (INL), and **Steve McMaster**, Technology Deployment Director. **Steve McMaster** presented Encouraging Innovation Through Technology Deployment. He said technology arises from a legacy of hard work solving big problems. He began his presentation by asking the following questions: 1. Why is innovation important? 2. What is INL doing about innovation? 3. How is innovation put to work? He said significant increases in energy consumption and the need for improved efficiencies are global issues. He said the INL is managed by Battelle Energy Alliance, L.L.C. and covers about 900 square miles of eastern Idaho. He described three important programs: 1. Nuclear Energy, 2. National and Homeland Security, 3. Energy and Environment. He said the INL contributes to the economy of Idaho as a major employer, an engine of economic growth, an economic stabilizer, and major contributor to civic and charitable causes. He said in 2012 technology deployment resulted in 88 inventions recorded, 38 patents issued, 132 licenses, \$1.58 million in royalties, R&D 100 Award to the WS Comm Team, and a Federal Lab Consortium Far West Award. He outlined the changes underway on the INL campus and additional installations planned for the future.

**H 127:** **Tana Cory**, Bureau of Occupational Licenses presented **H 127** which provides that the Bureau may collect and pay certain fees relating to criminal background checks. She said these licenses allow businesses to teach driving skills.

**MOTION:** **Rep. Palmer** made a motion to send **H 127** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Palmer** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:20 P.M.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

**AMENDED AGENDA #1**  
**HOUSE BUSINESS COMMITTEE**  
**1:30 P.M.**  
**Room EW41**  
**Tuesday, February 19, 2013**

| <b>SUBJECT</b>                   | <b>DESCRIPTION</b>  | <b>PRESENTER</b>   |
|----------------------------------|---|--|
| <a href="#"><u>RS22017</u></a>   | Self-Funded Health Care Plans   | Rep. Raybould  |
| <a href="#"><u>RS21912</u></a>   | Idaho Life and Health Insurance Guaranty Association Act and Idaho Insurance Guaranty Association Act | Woody Richards   |
| <a href="#"><u>RS22021</u></a>   | Insurance Holding Company Systems   | Tom Donovan, Dept. of Insurance  |
| <a href="#"><u>RS22058C1</u></a> | Alternative Means of Delivery of Property and Casualty Insurance Policies and Endorsements            | Michael J. Kane, Property and Casualty Insurers Association of America |
| <a href="#"><u>RS22059C1</u></a> | Allowance of Electronic Delivery of Insurance Related Documents                                       | Michael J. Kane, Property and Casualty Insurers Association of America |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Henderson      Rep Batt  
Vice Chairman Thompson      Rep Agidius  
Rep Collins      Rep Clow  
Rep Crane      Rep Hixon  
Rep Palmer      Rep Kauffman  
Rep Barbieri      Rep Monks

Rep Morse  
Rep Stevenson  
Rep Youngblood  
Rep Smith  
Rep Rusche  
Rep Gannon

COMMITTEE SECRETARY

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MINUTES  
**HOUSE BUSINESS COMMITTEE**

- DATE:** Tuesday, February 19, 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:** Woody Richards, Idaho Life and Health Insurance Guaranty Association/Idaho Insurance Guaranty Association; Elizabeth Criner, Veritas Advisors; John Kennan, Office of the Attorney General; Georgia Sirhl, Idaho Department of Insurance; Tom Donovan, Idaho Department of Insurance; Shad Priest, Regence Blue Shield; Geoff Baker, United Heritage Insurance; John Mackey, United Heritage Insurance; Paul Jackson, Farmers Insurance Group; Lyn Darrington, State Farm Insurance Company; Sarah Fuhrman, Idaho Financial Services Association; Jennifer Visser, Gallatin, P.A..
- Chairman Henderson** called the meeting to order at 1:30 P.M.
- MOTION:** **Rep. Hixon** made a motion to approve the minutes of February 13, 2013. **Motion carried by voice vote.**
- RS 22017:** **Bill Deal**, Director, Department of Insurance, presented **RS 22017**, Self-Funded Health Care Plans. He said this RS amends the existing self-funded health plan law passed in 2006 in chapter 40, title 41 to allow post secondary educational institutions to be included in the Code by establishing a self-funded student health benefit plan and trust for student and dependent beneficiaries and regulation of such plans and trusts. **John Keenan**, Office of the Attorney General, was introduced to answer questions of a legal nature. He said this RS has no interface with the federal Affordable Care Act. He said chosen terminology is deliberate and defined within the text of the RS. He said self-funded plan monies are collected from the students and placed in a trust and these programs do allow for spouse and dependent coverage. **Tom Donovan**, Department of Insurance, came to the podium to answer questions regarding essential health benefits. He said this change to the code does not address the term "essential benefits" as outlined in the federal Affordable Care Act.
- MOTION:** **Rep. Morse** made a motion to introduce **RS 22017**. **Motion carried by voice vote.**
- RS 21912:** **Woody Richards**, Idaho Life and Health Insurance Guaranty Association/Idaho Insurance Guaranty Association, presented **RS 21912**, Idaho Life and Health Insurance Guaranty Association Act and Idaho Insurance Guaranty Association Act. He said these guaranty associations cover policies of insurance in effect when insurance companies become bankrupt. He said the guaranty associations raise monies to cover these events by levying membership fees against its members. He said certain tax offsets are then allowed to the members after a specific offset time.
- MOTION:** **Rep. Collins** made a motion to introduce **RS 21912**. **Motion carried by voice vote.**

**RS 22021:** **Tom Donovan**, Idaho Department of Insurance, presented **RS 22021** Insurance Holding Company Systems. He said this proposed legislation allows oversight and monitoring of a group of affiliated companies where one of the companies is a licensed insurance company and where an affiliate might jeopardize the solvency of the insurance company. He said this creates an accreditation standard for the National Association of Insurance Commissioners (NAIC) to achieve consistency across state lines. He said this RS has been reviewed by affected insurance companies who have not voiced objections. He said nothing in this bill relates to the Affordable Health Care Act. He said confidentiality protections within the text of this RS pertain to private financial information of companies.

**MOTION:** **Rep. Rusche** made a motion to introduce **RS 22021**. **Motion carried by voice vote.****Reps. Batt, Monks, and Crane requested to be recorded as voting NAY.**

**RS 22058C1:** **Michael J. Kane**, Property and Casualty Insurers Association of America, presented **RS 22058C1** Alternative Means of Delivery of Property and Casualty Insurance Policies and Endorsements. He said this proposed legislation is an option for insurance companies to deliver policies and endorsements via the internet to the insured. He said hard copies of these documents can be delivered at the insured's direction. He said this will reduce paper consumption and afford the consumer the opportunity to review policies on-line.

**MOTION:** **Rep. Hixon** made a motion to introduce **RS 22058C1**.**Motion carried by voice vote.** **Reps. Crane and Agidius requested to be recorded as voting NAY.**

**RS 22059C1:** **Michael J. Kane**, Property and Casualty Insurers Association of America, presented **RS 22059C1** Allowance of Electronic Delivery of Insurance Related Documents. He said a notice or document may be delivered by electronic means if the consumer has given affirmative consent to this delivery. He said the Uniform Electronic Delivery Act provides notice of delivery failure.

**MOTION:** **Rep. Thompson** made a motion to introduce **RS 22059C1**.

**MOTION:** **Rep. Crane** made a substitute motion to return **RS 22059C1** to the sponsor.

**ROLL CALL VOTE:** A roll call vote was requested. **Reps. Collins, Crane, Palmer, Barbieri, Batt, Agidius, Clow, Hixon, Kauffman, Monks, Morse, Stevenson, Youngblood, Smith, Gannon and Henderson** voted AYE. **Reps. Thompson and Rusche** voted NAY. **Motion carried by roll call vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:53 P.M.

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Representative Thompson  
Vice Chairman

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
1:30 P.M.  
Room EW41  
Thursday, February 21, 2013

| <b>SUBJECT</b>        | <b>DESCRIPTION</b>  | <b>PRESENTER</b>   |
|-----------------------|---|--|
| <a href="#">H 162</a> | Licensed Schools of Cosmetology as Postsecondary Institutions | Kris Ellis, Northwest Career Colleges Federation, Idaho Cosmetology School Association |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

|                        |              |                |
|------------------------|--------------|----------------|
| Chairman Henderson     | Rep Batt     | Rep Morse      |
| Vice Chairman Thompson | Rep Agidius  | Rep Stevenson  |
| Rep Collins            | Rep Clow     | Rep Youngblood |
| Rep Crane              | Rep Hixon    | Rep Smith      |
| Rep Palmer             | Rep Kauffman | Rep Rusche     |
| Rep Barbieri           | Rep Monks    | Rep Gannon     |

COMMITTEE SECRETARY

Catherine Costner  
Room: EW58  
Phone: 332-1139  
email: [hbus@house.idaho.gov](mailto:hbus@house.idaho.gov)

MINUTES  
**HOUSE BUSINESS COMMITTEE**

- DATE:** Thursday, February 21, 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:** Chairman Henderson, Rep. Youngblood, Rep. Morse
- GUESTS:** Tony Smith, North West Career Colleges Federation; La Dawn Goodfellow, Cosmetology School of Arts and Sciences; Michael Treumpler, Student, Toni and Guy Hair Academy; Johnna Hayter, Student, Toni and Guy Hair Academy; Amber Farmer, Student, Toni and Guy Hair Academy; Lorie Gainor, Student, Toni and Guy Hair Academy; Lisa Bowen, Student, Toni and Guy Hair Academy; Whitney Norton, Student, Toni and Guy Hair Academy; Laurie Rowen, Razzle Dazzle College; Kathy Haplis, Toni and Guy Hair Academy; Ty Walker, Paul Mitchell Rexburg; Kyle Sheldon, Milan Institute; Barb DeHaan, North West Career College Federation; Toni Triano, Student, Toni and Guy Hair Academy; Philip Scott, Owner, Toni and Guy Hair Academies; Loni Stathorn, Cosmo School FA; Natalie Ellston; Lou Starita, Paul Mitchell School; Brook Cornelison, Austin Kade Academy; Jennifer Rodgers, Velvet Touch Academy; George Brunt, Paul Mitchell Academy
- Vice Chairman Thompson** called the meeting to order at 1:32 P.M.
- MOTION:** **Rep. Hixon** made a motion to approve the minutes of February 19, 2013. **Motion carried by voice vote.**
- H 162:** **Kris Ellis**, Northwest Career Colleges, Idaho Cosmetology School Association, presented **H 162** designating licensed schools of cosmetology as post secondary institutions. She said the proposed legislation addresses changes in the United States Department of Education rule requiring all schools who accept federal student aid funding to be designated as post secondary schools. She said there are twenty-seven licensed schools of cosmetology in Idaho who admit students who may be eligible for federal student financial aid. She said 85% - 95% of students at Idaho schools of cosmetology use financial aid to cover an average tuition ranging from \$13,000 - \$15,000. She said financial aid monies contribute roughly 73% of tuition and out of pocket costs for students. She said the default rate for student loans of 5% is lower in Idaho than in other states. She said consultation with the Idaho Department of Insurance indicates this designation would not pull these students into a category where schools of cosmetology must provide health insurance options for students and dependants as other post secondary educational institutions do.
- George Brunt**, Owner Paul Mitchell Hair Academy in Boise and Rexburg, Chairman Idaho State Cosmetology School Association, spoke **in support of H 162**. He said the national average wage for graduates of school of cosmetology is approximately \$32,000 per year. He said cosmetology schools are some of the lowest priced post secondary technical schools in Idaho.
- Rep. Gannon** requested copies of an on-line article published on the website, *The Motley Fool*, titled "Student Loan Crisis Deepens as Debts and Defaults Skyrocket", by Michele Lerner, be distributed to the members of the committee and entered into the record. (See attached.)

**Philip Scott**, Operator of Toni and Guy Hair Academy, Boise and Coeur d' Alene, spoke **in support of H 162**. He said 100% of his graduates in 2012 passed their board of cosmetology examinations. He said trade schools change young people's lives who might not otherwise have opportunities for a career. He said many students qualify for federal Pell Grants which do not have to be paid back.

**Kris Ellis** concluded the presentation. She said the graduation requirements are 2,000 hours of classroom study and practical experience per Idaho statute. She said completion of the 2,000 hours can be accomplished as a full time student or a part time student, which determines the length of time a student will be in school and, in turn, drives the total amount of federal financial aid which may be awarded to each student.

**Amber Parker**, Student at Toni and Guy School of Cosmetology, spoke **in support of H 162**. She said the training offered at cosmetology school gives her and her fellow students the means to support themselves and their families.

**MOTION:** **Rep. Monks** made a motion to send **RS 162** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Thompson** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:10 P.M.

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Representative Thompson  
Vice Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
1:30 P.M.  
Room EW41  
Monday, February 25, 2013

| <b>SUBJECT</b>        | <b>DESCRIPTION</b>                | <b>PRESENTER</b>                   |
|-----------------------|-----------------------------------|------------------------------------|
| <a href="#">H 197</a> | Insurance Holding Company Systems | Tom Donovan, Dept.<br>of Insurance |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

|                        |              |                |
|------------------------|--------------|----------------|
| Chairman Henderson     | Rep Batt     | Rep Morse      |
| Vice Chairman Thompson | Rep Agidius  | Rep Stevenson  |
| Rep Collins            | Rep Clow     | Rep Youngblood |
| Rep Crane              | Rep Hixon    | Rep Smith      |
| Rep Palmer             | Rep Kauffman | Rep Rusche     |
| Rep Barbieri           | Rep Monks    | Rep Gannon     |

COMMITTEE SECRETARY

Catherine Costner  
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email: [hbus@house.idaho.gov](mailto:hbus@house.idaho.gov)

MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Monday, February 25, 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:** Chairman Henderson

**GUESTS:** Georgia Sihl, Dept. of Insurance; Paul Jackson, Farmers Insurance Company; Russell Westerberg, Westerberg and Associates; Bolby Cameron, Sullivan and Reberger

**Vice Chairman Thompson** called the meeting to order at 1:31 P.M.

**MOTION:** **Rep. Hixon** made a motion to approve the minutes of February 21, 2013. **Motion carried by voice vote.**

**H 197:** **Tom Donovan**, Department of Insurance, presented **H 197** Insurance Holding Company Systems. He said this legislation would repeal and replace Title 41, Chapter 38 of the Code. He said insurance companies are highly regulated and required to maintain surplus capitol, follow unique accounting systems, and must undergo audits and oversight by the Department of Insurance. He said this proposed legislation is based on the National Association of Insurance Commissioners (NAIC) Model Insurance Act. He said this legislation is not related to health care reform nor the Health Insurance Exchange Act. He said the purpose of **H 197** is to protect the solvency of insurance companies, to provide consistency with other states, and to maintain the accreditation status of the Idaho Department of Insurance. He said insurance companies have voiced no objections and cites support of the American Council of Life Insurers. He said the Idaho Department of Insurance feels these changes are necessary to the functioning and effectiveness of it's activities, and necessary to maintain accreditation of the Department.

**Georgia Siehl**, Director, Bureau of Insurance Examiners, Department of Insurance, came to the podium to answer questions regarding numbers of insurance holding companies who file forms B and E with the Idaho Department of Insurance each year. She said there are currently six such companies.

**MOTION:** **Rep. Rusche** made a motion to send **H 197** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Reps. Crane, Barbieri, Hixon, Agidius, Stevenson, Monks** and **Palmer** requested to be recorded as voting **NAY**. **Rep. Rusche** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 3:12 P.M.

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Representative Thompson  
Vice Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
1:30 P.M.  
Room EW41  
Wednesday, February 27, 2013

| <b>SUBJECT</b>        | <b>DESCRIPTION</b>   | <b>PRESENTER</b>              |
|-----------------------|--|-------------------------------|
| <a href="#">H 199</a> | Self-funded Health Care Plans for Qualified Post Secondary Educational Institutions  | Bill Deal, Dept. of Insurance |
| <a href="#">H 196</a> | Idaho Life and Health Insurance Guaranty Association Act and the Idaho Insurance Guaranty Association Act, Timing of Premium Tax Offsets | Woody Richards                |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

|                        |              |                |
|------------------------|--------------|----------------|
| Chairman Henderson     | Rep Batt     | Rep Morse      |
| Vice Chairman Thompson | Rep Agidius  | Rep Stevenson  |
| Rep Collins            | Rep Clow     | Rep Youngblood |
| Rep Crane              | Rep Hixon    | Rep Smith      |
| Rep Palmer             | Rep Kauffman | Rep Rusche     |
| Rep Barbieri           | Rep Monks    | Rep Gannon     |

COMMITTEE SECRETARY

Catherine Costner  
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Phone: 332-1139  
email: [hbus@house.idaho.gov](mailto:hbus@house.idaho.gov)

MINUTES  
**HOUSE BUSINESS COMMITTEE**

- DATE:** Wednesday, February 27, 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:** Chairman Henderson
- GUESTS:** Woody Richards, Idaho Life and Health Insurance Guaranty Association and Idaho Insurance Guaranty Association; Candie Kinch, Idaho Life and Health Insurance Guaranty Association and Idaho Insurance Guaranty Association; Tom Donovan, Idaho Department of Insurance; Wes Trexler, Idaho Department of Insurance; Angela Richards, Idaho Life and Health Insurance Guaranty Association and Idaho Insurance Guaranty Association; Julie Taylor, Blue Cross of Idaho
- Vice Chairman Thompson** called to the meeting to order at 1:30 P.M.
- MOTION:** **Rep. Hixon** made a motion to approve the minutes of February 25, 2013. **Motion carried by voice vote.**
- H 199:** **Bill Deal**, Director, Department of Insurance presented **H 199** Self-funded Health Care Plans for Qualified Post Secondary Educational Institutions. He said this amendment to Chapter 40, Title 41 of the Idaho Code establishes employer based, self-funded health care plans, to provide students of post secondary education institutions access to self-funded health care plans registered with the Department of Insurance. He said this legislation requires that self-funded plans are subject to state regulation, are registered with the Department of Insurance, and provide minimum essential coverage to students and dependent beneficiaries. He said this legislation further defines the terms "irrevocable trust", "post secondary institution" and "qualified actuary". He said this legislation holds self-funded health care plans for qualified post secondary educational institutions to the standards of an insurance policy with regard to organization, funds surplus, and fiduciary oversight.
- John Keegan**, Office of the Idaho Attorney General, came to the podium to answer questions regarding minimum essential benefit coverage as compared to those benefits described in the Affordable Health Care Act.
- Tom Donovan**, Deputy Directory, Department of Insurance, came to the podium to answer questions regarding types of post secondary institutions and trade schools to which this legislation applies.
- Bill Deal** returned to the podium to answer questions and conclude the presentation. He said most self-funded health care plans have a third party administrator to assist with claims processing. He said thirty-three self-funded employer based plans are currently in place in Idaho.
- MOTION:** **Rep. Morse** made a motion to send **H 199** to the floor with a **DO PASS** recommendation.

**ROLL CALL VOTE:** Roll call vote was requested. **Motion carried with a vote of 12 AYE and 5 NAY, 1 absent/excused. Voting in favor of the motion: Reps. Thompson, Collins, Crane, Palmer, Barbieri, Agidius, Hixon, Kauffman, Morse, Stevenson, Youngblood, Smith. Voting in opposition to the motion: Reps. Batt, Clow, Monks, Rusche, Gannon. Rep. Raybould and Rep. Thompson will sponsor the bill on the floor.**

**H 196:** **Woody Richards** presented **H 196** Idaho Life and Health Insurance Guaranty Association Act and the Idaho Insurance Guaranty Act Timing of Premium Tax Offsets. He said the guaranty associations generally protect claimants when an insurance company becomes bankrupt by making sure claims are covered and benefits are paid pursuant to statutory provisions in Idaho law. He said these actions are funded by fees assessed to membership of the guaranty associations. He said in return for paying these assessments, members are allowed certain tax offsets to their premium taxes over a five year period. He said this legislation clarifies the time period that these tax offsets may be initiated. He said there is no change in the amount of the tax or the tax offset as a result of these amendments.

**MOTION:** **Rep. Rusche** made a motion to send **H 196** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Stevenson** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:29 P.M.

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Representative Thompson  
Vice Chair

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Catherine Costner  
Secretary

**AMENDED AGENDA #1**  
**HOUSE BUSINESS COMMITTEE**  
**1:30 p.m. or Upon Adjournment**  
**Room EW41**  
**Tuesday, March 05, 2013**

| <b>SUBJECT</b>        | <b>DESCRIPTION</b>                                       | <b>PRESENTER</b> |
|-----------------------|--|------------------|
| <a href="#">H 232</a> | Allow Electronic Delivery of Insurance Related Documents | Michael Kane     |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

Chairman Henderson      Rep Batt  
Vice Chairman Thompson      Rep Agidius  
Rep Collins      Rep Clow  
Rep Crane      Rep Hixon  
Rep Palmer      Rep Kauffman  
Rep Barbieri      Rep Monks

Rep Morse  
Rep Stevenson  
Rep Youngblood  
Rep Smith  
Rep Rusche  
Rep Gannon

COMMITTEE SECRETARY

Catherine Costner  
Room: EW58  
Phone: 332-1139  
email: [hbus@house.idaho.gov](mailto:hbus@house.idaho.gov)

MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Tuesday, March 05, 2013

**TIME:** 1:30 pm or Upon Adjournment

**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:** Reps. Hixon, Collins, Rusche,

**GUESTS:** Kent Day, Liberty Mutual Insurance; Mike Kane, Property and Casualty Insurers of America; Jim Werbeckes, Employers Insurers; Alex Hagel, Property and Casualty Insurers of America; Phil Barber, AIA; Woody Richards, Farm Bureau, All State, American Family Insurance; Angela Richards, Farm Bureau, All State, American Family Insurance; Paul Jackson, Farmers Group, Inc.; Lyn Darrington, State Farm Insurance Companies

**Chairman Henderson** turned the gavel over to **Rep. Youngblood**.

**Chairman Youngblood** called the meeting to order at 2:44 P.M.

**MOTION:** **Rep. Agidius** made a motion to approve the minutes of February 27,2013. **Motion carried by voice vote.**

**H 232:** **Michael Kane**, Property and Casualty Insurers of America, presented **H 232** Allowing Electronic Delivery of Insurance Related Documents. He said this legislation deals with electronic transfer of insurance documents when the receiving party agrees in advance to participate in such delivery.

**Jim Werbeckes**, Employers Insurance, **spoke in support** of **H 232**. He said this bill is intended to allow insurers to conduct business with policy holders who wish to do business via the internet. He said electronic delivery and electronic signature functions are currently being done successfully in other states. He said electronic delivery reduces overhead, allows for efficiency, reduces the carbon footprints of each company and policy holders who choose to participate.

**Alex Hagel**, Property and Casualty Insurers of America, **spoke in support** of **H 232**. He said electronic delivery will be optional for policy holders and consumers who can choose to opt out of this delivery method at any time. He said confirmation processes for receipt of electronic documents are in place, such that, should they not be received, a paper policy will follow via other certified means such as the United States postal service.

**Michael Kane** returned to the podium to summarize the presentation and answer questions.

**MOTION:** **Rep. Palmer** made a motion to send **H 232** to the house floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Hixon** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:56 P.M.

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Representative Youngblood  
Chair

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Catherine Costner  
Secretary

**AMENDED AGENDA #1**  
**HOUSE BUSINESS COMMITTEE**  
**1:30 PM or Upon Adjournment**  
**Room EW41**  
**Monday, March 11, 2013**

| <b>SUBJECT</b>                | <b>DESCRIPTION</b>             | <b>PRESENTER</b>               |
|-------------------------------|--------------------------------|--------------------------------|
| <a href="#"><u>S 1100</u></a> | Health Care Sharing Ministries | Senator Nuxoll,<br>Joe Guarino |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

|                        |              |                |
|------------------------|--------------|----------------|
| Chairman Henderson     | Rep Batt     | Rep Morse      |
| Vice Chairman Thompson | Rep Agidius  | Rep Stevenson  |
| Rep Collins            | Rep Clow     | Rep Youngblood |
| Rep Crane              | Rep Hixon    | Rep Smith      |
| Rep Palmer             | Rep Kauffman | Rep Rusche     |
| Rep Barbieri           | Rep Monks    | Rep Gannon     |

COMMITTEE SECRETARY

Catherine Costner  
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Phone: 332-1139  
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MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Monday, March 11, 2013  
**TIME:** 1:30 PM or Upon Adjournment  
**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:** Representative Rusche  
**GUESTS:** Michael S. Oswald, citizen; David Barrett, citizen; Elysse Baumbach, citizen; Joe Guarino, Alliance of Health Care Sharing Ministries; Jannyce Barrett, citizen; Julie Taylor, Blue Cross

**Chairman Henderson** relinquished the gavel to **Rep. Morse**.

**Rep. Morse** called the meeting to order at 3:03 P.M.

**MOTION:** **Rep. Youngblood** made a motion to approve the minutes of March 5, 2013.  
**Motion carried by voice vote.**

**S 1100:** **Senator Nuxoll** presented **S 1100** Health Care Sharing Ministries. She said health care sharing ministries are organizations made up of those of similar faith who provide assistance to other members in need of help with medical expenses. She said there are three such ministries at this time in the United States. She said this legislation will define health care sharing ministries as exempt from the requirements of and oversight by the Idaho Department of Insurance.

**Joe Guarino**, Alliance of Health Care Sharing Ministries, **spoke in support of S 1100**. He said health care ministries share medical costs for members in need of financial support. He said the ministry acts as a facilitator for members to share medical bills and costs. He said the monies do not pass through the ministry itself, rather it is a coordination of members who wish to contribute and those members who have medical bills to pay. He said there are three reasons why this is not insurance: 1. No contracts are made in which transfer of risk occurs, 2. No funds are kept in reserve, 3. No actuaries are in place to assess future risk. He said the monies shared address only actual medical bills. He said this type of health care sharing ministry is exempt from the mandates of the Affordable Health Care Act and these money sharing events are not taxable. He said the only state that allows tax deductions on these health care sharing transfers is Missouri. He said the ministry funds itself through membership dues of \$180 per year per household. He said faith based health care ministries are open to participants in all fifty states. He said the health care ministry management board is made up of members elected by the participants. He said shares are determined on a month to month basis with a set amount to be shared each month. He said participation agreements are renewed yearly. He said there are no dollar amount limits or limits to the number of medical events that are covered.

**David Barrett spoke in support of S 1100**. He said his family participates in Samaritan Ministry, a health care sharing ministry. He said he pays an administrative yearly fee to participate and he receives a notice each month to direct a set fee share contribution to a participating family in need.

**Michael Oswald spoke in support of S 1100**. He said his family participates in Samaritan Ministry. He said participation in the health care sharing ministry is one of the ways he fulfills the tenets of his faith.

**Elysse Baumbaugh spoke in support of S 1100.** She supports her own health care decisions by participating in a faith based health care ministry.

**Jannyce Barrett spoke in support of S 1100.** She said that faith based health care participation focusses on wellness and disease prevention.

**MOTION:** **Rep. Barbieri** made a motion to send **S 1100** to the House floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Barbieri** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 3:34 P.M.

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Representative Morse  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
1:30 PM or Upon Adjournment  
Room EW41  
Wednesday, March 13, 2013

| <b>SUBJECT</b>        | <b>DESCRIPTION</b>  | <b>PRESENTER</b>                    |
|-----------------------|---|-------------------------------------|
| <a href="#">H 273</a> | Delays the Implementation date to allow the Department of Transportation and the insurance industry to coordinate efforts to effect the legislation of last year. | Paul Jackson,<br>Farmer's Insurance |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

|                        |              |                |
|------------------------|--------------|----------------|
| Chairman Henderson     | Rep Batt     | Rep Morse      |
| Vice Chairman Thompson | Rep Agidius  | Rep Stevenson  |
| Rep Collins            | Rep Clow     | Rep Youngblood |
| Rep Crane              | Rep Hixon    | Rep Smith      |
| Rep Palmer             | Rep Kauffman | Rep Rusche     |
| Rep Barbieri           | Rep Monks    | Rep Gannon     |

COMMITTEE SECRETARY

Catherine Costner  
Room: EW58  
Phone: 332-1139  
email: [hbus@house.idaho.gov](mailto:hbus@house.idaho.gov)

MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Wednesday, March 13, 2013  
**TIME:** 1:30 p.m. or Upon Adjournment  
**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:** None.

Meeting was cancelled.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
1:30 P.M. or Upon Adjournment  
Room EW41  
Tuesday, March 19, 2013

| <b>SUBJECT</b>        | <b>DESCRIPTION</b>  | <b>PRESENTER</b>                    |
|-----------------------|---|-------------------------------------|
| <a href="#">H 273</a> | Delays the implementation date to allow the Department of Transportation and the insurance industry to coordinate efforts to effect the legislation of last year. | Paul Jackson,<br>Farmer's Insurance |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

|                        |              |                |
|------------------------|--------------|----------------|
| Chairman Henderson     | Rep Batt     | Rep Morse      |
| Vice Chairman Thompson | Rep Agidius  | Rep Stevenson  |
| Rep Collins            | Rep Clow     | Rep Youngblood |
| Rep Crane              | Rep Hixon    | Rep Smith      |
| Rep Palmer             | Rep Kauffman | Rep Rusche     |
| Rep Barbieri           | Rep Monks    | Rep Gannon     |

COMMITTEE SECRETARY

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email: [hbus@house.idaho.gov](mailto:hbus@house.idaho.gov)

MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Tuesday, March 19, 2013  
**TIME:** 1:30 PM or Upon Adjournment  
**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:** Representatives Rusche, Barbieri  
**GUESTS:** Phil Barber, American Insurance Association; Paul Jackson, Farmers Group Inc.; Woody Richards, Allstate/American Family Insurance/ Farm Bureau; Amy Smith, Idaho Department of Transportation

**Chairman Henderson** relinquished the gavel to **Rep. Kauffman**.

**Rep. Kauffman** called the meeting to order at 1:31 P.M.

**MOTION:** **Rep. Hixon** made a motion to approve the minutes of March 11, 2013. **Motion carried by voice vote.**

**H 273:** **Rep. Thompson** presented **H 273** which delays the implementation of **Idaho Code 49-1234** to allow the Department of Transportation and the insurance industry to coordinate efforts to effect the legislation of last year. He said the new language is contained in Section 3, page 2, lines 38-39 which delays the date to on and after July 1, 2015. He said golf carts are added as an exempted vehicle.

**Amy Smith**, Vehicle Services Manager with the Idaho Department of Transportation came to the podium to answer technical questions. She said the Idaho Department of Transportation does not license golf carts, except to accommodate citizens with disabilities. She said utility type carts can have a restricted use license plate should local jurisdictions require it.

**Woody Richards**, Allstate/ American Family Insurance/ Farm Bureau, came to the podium to answer technical questions. He said surplus line policies such as this are not approved by the Department of Insurance.

**MOTION:** **Rep. Youngblood** made a motion to send **H 273** to the House floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Thompson** will sponsor the bill on the floor.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 1:38 P.M.

---

Representative Kauffman  
Chair

---

Catherine Costner  
Secretary

**AMENDED AGENDA #2**  
**HOUSE BUSINESS COMMITTEE**  
**1:30 PM or Upon Adjournment**  
**Room EW41**  
**Thursday, March 21, 2013**

| <b>SUBJECT</b>                 | <b>DESCRIPTION</b>   | <b>PRESENTER</b>    |
|--------------------------------|--|---------------------|
| <a href="#"><u>SCR 121</u></a> | Rejecting Rule Docket of the Bureau of Occupational Licenses Relating to Rules of the Idaho Driving Business Licensure Board | Senator Jim Patrick |
| <a href="#"><u>SCR 122</u></a> | Rejecting Rule Docket of the Bureau of Occupational Licenses Relating to Rules of the Board of Architectural Examiners       | Senator Jim Patrick |
| <a href="#"><u>H 289</u></a>   | Idaho Free Market Health Insurance Act   | Rep. Lynn Luker     |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

|                        |              |                |
|------------------------|--------------|----------------|
| Chairman Henderson     | Rep Batt     | Rep Morse      |
| Vice Chairman Thompson | Rep Agidius  | Rep Stevenson  |
| Rep Collins            | Rep Clow     | Rep Youngblood |
| Rep Crane              | Rep Hixon    | Rep Smith      |
| Rep Palmer             | Rep Kauffman | Rep Rusche     |
| Rep Barbieri           | Rep Monks    | Rep Gannon     |

COMMITTEE SECRETARY

Catherine Costner  
Room: EW58  
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MINUTES  
**HOUSE BUSINESS COMMITTEE**

- DATE:** Thursday, March 21, 2013
- TIME:** 1:30 PM or Upon Adjournment
- 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:** Chairman Henderson
- GUESTS:** Steve Thomas, citizen; Colby Cameron, Idaho Association of Health Underwriters; Wayne Hoffman, Idaho Freedom Foundation; Woody Richards, Association of Health Insurance Producers; Shad Priest, Regence Blue Shield; Julie Taylor, Blue Cross of Idaho
- Chairman Thompson** called the meeting to order at 1:30 p.m.
- MOTION:** **Rep. Hixon** made a motion to approve the minutes of March 19, 2013. **Motion carried by voice vote.**
- SCR 121:** **Sen. Patrick** presented **SCR 121** which rejects a Rule of the Bureau of Occupational Licenses relating to the Rules of the Idaho Driving Business Licensure Board. He said **Docket Number 24-2501-1201** was rejected because the rule is not consistent with legislative intent.
- MOTION:** **Rep. Hixon** made a motion to send **SCR 121** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Thompson** will sponsor the bill on the floor.
- SCR 122:** **Sen. Patrick** presented **SCR 122** which rejects a Rule of the Bureau of Occupational Licenses relating to Rules of the Board of Architectural Examiners. He said the resolution pertains to IDAPA 24.01.01 where Section 550, Subsection 03, relating to contracts and Section 550, Subsection 04, relating to direct supervision are rejected. He said a temporary rule is not needed in this case and the remaining language in the rule remains intact.
- MOTION:** **Rep. Hixon** made a motion to send **SCR 122** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Thompson** will sponsor the bill on the floor.
- H 289:** **Rep. Luker** presented **H 289**, the Idaho Free Market Health Insurance Act. He said this is an alternative to the Health Insurance Exchange (HIX). He said **H 289** requires those carriers who sell insurance within the State Insurance Exchange to offer a product outside of the State HIX at 70% or less of the minimum policy or lowest cost policies of the HIX designated as platinum, gold, silver, and bronze level policies. He said these products will provide a low cost insurance option with coverage of children up to age twenty-six and a six month waiting period for pre-existing health conditions. He said the policies must be available at any time with no open enrollment period. He said policies can be configured with options to suit the client's needs and will have no mandated or set prices for deductible and co-payments. He requested that a letter from the Idaho Attorney General discussing **H 289** be distributed to the members of the committee and included in the minutes of this meeting. He said **H 289** allows alternative policies to the State Health Insurance Exchange. He said this legislation utilizes the Patient Protection and Affordable Care Act of 2010 (PPACA) rating system and requirements such as age, smoking, families, and geographic area. He said the eleven health insurance

companies in Idaho interested in participating in the State Exchange were not consulted regarding this bill.

**Steve Thomas**, citizen, spoke **in opposition** to **H 289**. He said a free market is characterized by contracts between willing buyers and willing sellers. He said an enabling act is not necessary to create a "free market" that already exists. He said this bill seems to fix prices which is illegal by federal and state law. He said this bill will place health insurance providers at odds with the federal mandates of PPACA.

**Chairman Thompson** requested the written testimony of **Tom Shores**, State President at Idaho Association of Health Underwriters, which is offered **in opposition** to **H 289**, be distributed to the committee members and appended to the minutes.

**Colby Cameron**, Idaho Association of Health Underwriters, spoke **in opposition** to **H 289**. He noted the written testimony of Tom Shores has a typo on the title and it should read "Testimony Against House 289". He said the brokers are happy to represent themselves and sell insurance policies under the terms of PPACA and are not in favor of some of the ambiguities contained in **H 289**. He gave the term "appropriate rating" as an example of a term which is not thoroughly defined. He said he and his fellow brokers would support a revised **H 289** that could possibly offer a product which could be sold, however they do not support the bill as written. He said he would be happy to look at any changes proposed under General Orders, however, noted that the short time to accomplish this as the legislative session is drawing to a close.

**Wayne Hoffman**, Executive Director, Idaho Freedom Foundation, spoke **in support** of **H 289**. He said free market solutions which offer price fixing options are problematic and he recommends removal of the 70% provision. He said all required elements of **H 289** must meet certain minimum requirements of the Idaho Department of Insurance. He recommends removal of all provisions in the bill pertaining to suspension or revocation of health insurer's licenses.

**Rep. Collins** invoked Rule 38 stating a possible conflict of interest as he was professionally involved in the health insurance industry in the past. He indicated that he will be voting on this legislation.

**Shad Priest**, Regence Blue Shield of Idaho, spoke **in opposition** to **H 289**. He said it would leave insurance providers in the difficult position of determining how to comply with the federal laws and conflicting Idaho Code proposed under this bill. He said the market is buried in uncertainty and this legislation would add to that uncertainty. He said that currently there is no prohibition in federal law against offering additional insurance products to the public. He said additional mandates with their accompanying provisions do not assist the free market, rather they would inhibit the market. He said the bill does not give consumers additional choices. He said insurance companies are subject to federal and state anti-trust laws. He said government price controls drive competition out of the market. He said, due to the limited population, Idaho is not an attractive market for health insurers and **H 289** will make Idaho less attractive.

**Woody Richards**, Association of Health Insurance Plans, spoke **in opposition** to **H 289**. He said there are mandates in this bill which are problematic to implement.

**Rep. Luker** came to the podium to summarize **H 289**. He said this legislation is not price fixing rather it poses cost reduction minimums. He said there are no penalties to insurance companies in this bill. He said there are very few mandates in **H 289**, thereby it offers more flexibility than the federal mandates. He stated his willingness to revise the language of **H 289** under General Orders.

**MOTION:**

**Rep. Collins** made a motion to hold **H 289** in committee.

**MOTION TO ADJOURN:** Rep. Crane made a motion to adjourn and allow H 289 to return to the committee upon the call of the Chair.

**ROLL CALL VOTE:** Roll call vote was requested on the motion to adjourn. **Motion failed by a vote of 6 AYE and 9 NAY with 3 ABSENT/EXCUSED.** Voting in favor of the motion: Reps. Crane, Palmer, Batt, Hixon, Monks, Stevenson. Voting in opposition to the motion: Reps. Thompson, Collins, Clow, Kauffman, Morse, Youngblood, Smith, Rusche, Gannon. Absent/Excused: Reps. Henderson, Barbieri, Agidius.

**SUBSTITUTE MOTION:** Rep. Crane made a motion to send H 289 to General Orders.

**ROLL CALL VOTE ON SUBSTITUTE MOTION:** Roll call vote was requested on the substitute motion to send H 289 to General Orders. **Motion failed by vote of 7 AYE and 9 NAY with 2 ABSENT/EXCUSED.** Voting in favor of the motion: Reps. Crane, Palmer, Batt, Agidius, Hixon, Monks, Stevenson. Voting in opposition to the motion: Reps. Thompson, Collins, Clow, Kauffman, Morse, Youngblood, Smith, Rusche, Gannon. Absent/Excused: Reps. Henderson, Barbieri.

**ROLL CALL VOTE ON ORIGINAL MOTION:** Roll call vote was requested on the original motion to hold H 289 in committee. **Motion carried by vote of 9 AYE and 7 NAY with 2 ABSENT/EXCUSED.** Voting in favor of the motion: Reps. Thompson, Collins, Clow, Kauffman, Morse, Youngblood, Smith, Rusche, Gannon. Voting in opposition to the motion: Reps. Crane, Palmer, Batt, Agidius, Hixon, Monks, Stevenson. Absent/Excused: Reps. Henderson, Barbieri.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 3:04 P.M.

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Representative Thompson  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
1:30 PM or Upon Adjournment  
Room EW41  
Monday, March 25, 2013

| <b>SUBJECT</b> | <b>DESCRIPTION</b>             | <b>PRESENTER</b>   |
|----------------|--------------------------------|--------------------|
|                | Minutes to Approve             |                    |
|                | Economic Development Resources | Chairman Henderson |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

|                        |              |                |
|------------------------|--------------|----------------|
| Chairman Henderson     | Rep Batt     | Rep Morse      |
| Vice Chairman Thompson | Rep Agidius  | Rep Stevenson  |
| Rep Collins            | Rep Clow     | Rep Youngblood |
| Rep Crane              | Rep Hixon    | Rep Smith      |
| Rep Palmer             | Rep Kauffman | Rep Rusche     |
| Rep Barbieri           | Rep Monks    | Rep Gannon     |

COMMITTEE SECRETARY

Catherine Costner  
Room: EW58  
Phone: 332-1139  
email: [hbus@house.idaho.gov](mailto:hbus@house.idaho.gov)

MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Monday, March 25, 2013

**TIME:** 1:30 p.m. or Upon Adjournment

**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:** Reps. Barbieri, Crane

**GUESTS:** Betty Ann Henderson

**MOTION:** **Chairman Henderson** called the meeting to order at 1:31 p.m.

**Rep. Hixon** made a motion to approve the minutes of the March 21, 2013 meeting.  
**Motion carried by voice vote.**

**Chairman Henderson** deferred the economic development resources presentation until March 27, 2013. He explained his plans to have a discussion on Wednesday that will enable members of the committee to craft future legislation addressing challenges of economic development in their respective districts and throughout Idaho.

**Rep. Thompson** thanked **Ismael Fernandez**, House Page, and **Catherine Costner**, Secretary, for their service during the legislative session of 2013.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 1:39 p.m.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary

AGENDA  
**HOUSE BUSINESS COMMITTEE**  
1:30 pm or Upon Adjournment  
Room EW41  
Wednesday, March 27, 2013

| <b>SUBJECT</b> | <b>DESCRIPTION</b>                | <b>PRESENTER</b>   |
|----------------|-----------------------------------|--------------------|
|                | Approval of Minutes               |                    |
|                | Economic Development Presentation | Chairman Henderson |

***If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.***

COMMITTEE MEMBERS

|                        |              |                |
|------------------------|--------------|----------------|
| Chairman Henderson     | Rep Batt     | Rep Morse      |
| Vice Chairman Thompson | Rep Agidius  | Rep Stevenson  |
| Rep Collins            | Rep Clow     | Rep Youngblood |
| Rep Crane              | Rep Hixon    | Rep Smith      |
| Rep Palmer             | Rep Kauffman | Rep Rusche     |
| Rep Barbieri           | Rep Monks    | Rep Gannon     |

COMMITTEE SECRETARY

Catherine Costner  
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MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Wednesday, March 27, 2013  
**TIME:** 1:30 p.m. or Upon Adjournment  
**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:** Reps. Collins, Barbieri, Agidius, Stevenson  
**GUESTS:** Timothy J. McCallion, Verizon Wireless

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

**MOTION:** **Rep. Gannon** made a motion to approve the minutes of March 25, 2013. **Motion carried by voice vote.**

**Chairman Henderson** relinquished the gavel to **Vice Chairman Thompson**.

**Rep. Henderson** came to the podium and presented economic development resources. He said helping businesses to move to Idaho, expand and grow is of critical importance to the economic health of Idaho. He presented a map of Idaho which delineates the six Economic Development Districts with contact information for each district. He discussed the Small Business Development Centers - a network of six regional offices which serve the needs of small businesses and entrepreneurs in Idaho. He said Idaho Department of Commerce Procurement Technical Assistance Center (PTAC) provides assistance to businesses on bidding and submitting proposals for federal contracts. He highlighted the value of PTAC services as there is cost to Idaho companies who wish to register and participate. He discussed examples of companies who won contracts with federal agencies. This list featured 7.5 million dollars of federal contracts awarded in Kootenai County.

**Rep. Henderson** offered an illustration of how appropriate legislation can enable business growth with the example of **H 417** Sales Tax Exemption for Parts Installed on Non-Resident Aircraft and it's effect on Western Aircraft, an Idaho business. Western Aircraft's year end update enumerates achievement of performance goals: 1. Growing staff to 170 full time employees; 2. Construction of a 24,000 square foot facility; 3. Addition of new customers from outside Idaho; 4. Addition of new services and capabilities, equipment and training of employees; 5. Partnering with Idaho State University to produce new hands-on avionics training.

**Rep. Henderson** challenged the committee members to consider crafting innovative legislation that benefits economic growth. He suggested a hindrance to economic development might be eliminated with a rebate of sales of tax on building materials needed to expand facilities and create new employment positions. He said a precedent exists in statute to accomplish this type of legislation when specific goals are met. He presented 2012 draft legislation with supporting code references attached a model for new legislation.

**Rep. Henderson** presented a schedule of municipal fees typically charged to businesses wishing to construct facilities in the City of Post Falls. He said these numbers indicate costly impact and development fees which can hinder business growth in Idaho. He said cities charge different schedules of fees, which are typically determined by the city engineering department. He presented a brochure produced by the Department of Commerce titled, *Incentives for Business*. (See attached.) He said this publication is an excellent summary of programs and advantages offered to prospective business considering a move to Idaho.

**Rep. Henderson** enumerated the following avenues of future legislation benefitting economic development: 1. Property tax exemptions offered currently at the discretion of county commissioners; 2. Work force training which currently suffers from procedural barriers; 3. Factory/Commercial building materials sale taxes which might be rebated to the construction or expansion of facilities under the conditions that new jobs be created and other specific milestones.

**Rep. Henderson** announced **H 100** The Idaho Opportunity Fund will be signed into law by **Governor Otter** tomorrow. He presented an overview of jobs resulting from investments using the Business Development and Jobs Development Fund, a predecessor to **H 100**, noting award amounts, a description of the infrastructure project built through those funds and the status of those businesses presently. He discussed both completed projects and those projects currently in progress.

**Rep. Hixon** discussed the need for opening a dialog with local government officials with the aim of forming meaningful partnerships that can assist businesses in relocating or expanding. He said this would be an opportunity to promote the Idaho Opportunity Fund and other programs that are available.

**Rep. Morse** spoke regarding impact fees and how they affect proposed construction. He mentioned the impact on specific projects in Kootenai County such as sewer and water cap fees which can appear to be unrelated to the actual cost. He said the annexation fees and application fees can be waived by municipal jurisdictions. He indicated that burdensome development fees can prove prohibitive to private enterprises considering development. He stated the development fees charged by municipalities provide income for some local governments rather than simply covering costs.

**Rep. Clow** noted that finding answers that have worked for other communities may or may not work in other districts. He said local governments vary considerably in their fee structures in that some jurisdictions regard building fees as a source of revenue while others structure building fees simply to cover associated expenses of the engineering and administration departments. He recommends that if a district's impact fees are conservative, little change in that structure should be considered. He gives the location of the new Chobani yogurt factory Twin Falls as an example of municipal fee structuring. He said in the past the City of Twin Falls had limited ability to take on any industry requiring significant fresh water and sewer capacity as the City did not have the resources to expand infrastructure. He said these types of industries were not encouraged in the past. He said this changed when a federal mandate to provide lower concentration of arsenic in public drinking water forced upgrades of the drinking water system. He said that Twin Falls enabled Chobani to locate to Twin Falls by waiving certain impact fees. He noted that revenue allocation versus long term growth and jobs contribution to the local economy need to be carefully weighed for each community.

**Rep. Henderson** summarized his presentation by recognizing a strong working relationship with **Jeff Sayer**, Director, Department of Commerce, and recommended that each member of the committee invest in a similar relationship. He invited committee members to write Jeff Sayer a letter of support for the Idaho Opportunity Fund. He urged the committee members to insist upon accompanying employees of the Department of Commerce as they tour districts and participate actively in evaluating sites for potential business prospects. He advised committee members to be aware that other laws and departments of government can affect development. He gave as an example the Department of Environmental Quality requirements for environmental impact studies prior to development.

**Timothy J. McCallion**, Verizon Wireless, came to the podium at the request of **Chairman Thompson**. He thanked the legislators for their support in passing laws that have enabled wireless communications to thrive. He noted the dramatic advances in telecommunications technology that have come recently about. He said the United States leads the industry in broadband wireless technology and cites the importance of a good business climate to encourage investment in growth and expansion. He noted that wireless electronic business is the fastest growing industry sector. **Rep. Henderson** asked if Verizon has considered Idaho as a site for locating repair or production facilities for electronic devices. Mr. McCallion indicated that Idaho would be a good fit for distribution centers, however he does not know if it has been under consideration. **Rep. Henderson** praised Idaho's unique advantages such as rates for workman's compensation insurance and utility rates among lowest in the nation. He suggested that Idaho be considered the next time Verizon considers expansion.

**Rep. Rusche** voiced concern regarding the "digital divide", a disparity between rural and urban areas receiving wireless service coverage. He asked **Mr. McCallion's** advice for rural communities to obtain dependable broadband services. Mr. McCallion recommended 4GLTE broadband service as the best solution for rural communities. He said 4GLTE technology from Verizon offers products which allow for WiFi connections and satellite connections for connectivity in rural and remote areas. He said prepaid wireless services also offer the opportunity to become connected for communities with budgetary concerns.

**Rep. Morse** requested that Verizon consider sharing their site selection criteria with the business development community in Idaho. He said knowing that criteria would help policy makers create an advantageous atmosphere for businesses wishing to relocate. **Mr. McCallion** promised to take the discussion back to his company and consider that request.

**ADJOURN:** There being no further business to come before the committee, the meeting was adjourned at 2:28 p.m.

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Representative Henderson  
Chair

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Catherine Costner  
Secretary