

MINUTES  
**HOUSE BUSINESS COMMITTEE**

**DATE:** Monday, February 09, 2015

**TIME:** 1:30 P.M.

**PLACE:** Room EW41

**MEMBERS:** Chairman Barbieri, Vice Chairman Clow, Representatives Collins, Crane, Palmer, Thompson, Batt, Hixon, Kauffman, Monks, Anderst, Beyeler, DeMordaunt, Dixon, Troy, Smith, Rusche, Jordan

**ABSENT/  
EXCUSED:** None

**GUESTS:** Gavin Gee, Idaho Dept. of Finance; May Hughes, Idaho Dept. of Finance; Brad Bergquist, Idaho Dept. of Finance; Mike Brassey, IFSA; Steve Keys, DBS; John Nielsen, DBS, Joseph B. Jones, Dept. of Finance/AG

**Chairman Barbieri** called the meeting to order at 1:29 PM.

**MOTION:** **Rep. Beyeler** made a motion to approve the minutes of February 3, 2015. **Motion carried by voice vote.**

**MOTION:** **Rep. Beyeler** made a motion to approve the minutes of February 5, 2015. **Motion carried by voice vote.**

**H 60:** **Chairman Barbieri** announced **H 60** has been withdrawn by the sponsor.

**RS 23246:** **Gavin Gee**, Director of Finance, presented to the committee **RS 23246** which amends the Idaho Bank Act. He said this proposed legislation fulfills two principal needs: to provide regulatory relief for Idaho community bankers that are chartered by the state, and to adhere to national accreditation program standards for state banking departments such as the Department of Finance. He said there is a concern regarding a trend within the industry with significant consolidation among community banks. Last year, there were four Idaho community banks involved in merger activity, and, nationally, the number of community banks decreased from 14,000 banks in the mid 1980's to less than 6,000 banks around the country today. Regulatory burden is often cited as the cause for this consolidation. Although federal regulation is the cause for a number of the concerns, there were several regulations at the state level identified to help address the problem. This bill also adheres to national accreditation standards for state banking departments patterned after university accreditation.

**Mary Hughes**, Financial Institutions Bureau Chief from the Department of Finance, said the proposed legislation will eliminate the requirement for banks to file stock transfer reports with the Department. It will change the requirements so approval is needed for a transfer where the person acquiring stock will own or control 10% or more of the banks stock. It will eliminate the requirement that banks hold shareholder meetings only in certain months and instead hold them according to their own bylaws. It will require banks to notify the department before establishing a loan production office in Idaho.

**Ms. Hughes** continued, the proposed legislation will allow banks to determine the market value of foreclosed property by evaluation instead of appraisal when a bank's investment in the property is less than \$250,000. It authorizes the Department of Finance to issue orders directly to a bank or affected person requiring removal of a director, officer, or employee, prohibit employment of removed persons by any bank supervised by the Department, and impose greater civil money penalties. It would authorize the Director to determine whether the use of "bank" in a corporate name is misleading and deceptive so as to cause harm to the public, and, lastly, will revise interstate branching provisions to be consistent with federal law.

**MOTION:** **Rep. Hixon** made a motion to introduce **RS 23246**.

In response to a question, **Ms. Hughes** said property evaluations are less expensive than an appraisal. There is extensive federal guidance in these evaluations which need to be followed and is standard in the industry.

**VOTE ON MOTION:** **Chairman Barbieri** called for a vote on the motion to introduce **RS 23246**. **Motion carried by voice**. **Rep. Palmer** requested he be recorded as voting **NAY**.

**H 59:** **Steve Keys**, Deputy Administrator of the Division of Building Safety, presented **H 59** which makes three changes to statutory provisions governing the licensing of plumbers in Idaho. He said the first change would extend the time allowed for an individual to revive his certificate of competency from one year to two years after the expiration of his certificate. The intent is to allow more tradespeople with expired licenses to avoid retaking an examination in order to reinstate their license. The other two provisions apply to plumbing contractor licenses. Plumbing contractors are individuals, like master electricians, who are employed by, or own plumbing businesses. The business is required to have the plumbing contractor's license attached to their business in order for the business to legally engage in plumbing contracting. The plumbing business itself is not licensed by the Division of Building Safety.

**Mr. Keys** said, this bill would establish an inactive status for contractor licenses, allowing a plumbing contractor whose license is not attached to a plumbing business to keep his certificate of competency in an inactive status without maintaining the \$2,000 code compliance bond that is currently required of all plumbing contractors. The legislation also provides for a temporary plumbing contractor license that would only apply in the event a licensed plumbing contractor dies or becomes incapacitated. It would allow a licensed journeyman to act in a limited capacity to wind down business operations and complete existing projects.

**MOTION:** **Rep. DeMordaunt** made a motion to send **H 59** to the 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 adjourned at 1:58 PM.

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Representative Barbieri  
Chair

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Francoise Cleveland  
Secretary