

MINUTES
HOUSE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Monday, February 09, 2015
TIME: 1:30 P.M.
PLACE: Room EW05
MEMBERS: Chairman Hartgen, Vice Chairman Anderson, Representatives Harris, Holtzclaw, Romrell, Chaney, Horman, Nielsen, Packer, Redman, King, Chew, Rudolph
**ABSENT/
EXCUSED:** None
GUESTS: Don Drum, Lisa Steele, PERSI; Megan Ronk, Megan Hill, Commerce; Bob Fick, Labor; Marilyn Whitney, Governor's Office

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

H 78: **Bob Fick**, Idaho Department of Labor, presented **H 78**, which approves changes to the Idaho Code Section 72-1369 required by the federal Trade Adjustment Assistance Extension Act of 2011. The U.S. Department of Labor has now informed the Department of a technical correction necessary to the language to clarify the civil penalty amounts collected, an amount equal to 15% of the total overpayment must be paid into the employment security fund. This change of language brings the law into conformity with what is already being done in the Department of Labor. There is no fiscal impact due to this change.

In response to questions **Mr. Fick** stated the fine was enacted because the Department of Labor wanted all states to have fines for overpayment of 15%. He also stated the director can decide to waive overpayment fees but not in fraud fees. In cases where fraud is determined, the claimant has to repay overpayments and will lose their ability to claim benefits for 52 weeks. The claimant in fraud cases has the right to appeal the decision of fraud. If the error is not fraudulent the claimant is still eligible for benefits after they repay the overpayment.

MOTION: **Rep. King** made a motion to send **H 78** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Nielsen** requested he be recorded as voting **NAY**. **Rep. King** will sponsor the bill on the floor.

H 79: In the absence of **Jeff Sayer**, **Megan Ronk**, Department of Commerce, presented **H 79**, which aligns the number of planning regions as well as the disparity in compensation for members of the Idaho Travel Council and the Economic Advisory Council (EAC). Currently EAC members are not compensated, but with this change, they would receive a \$50.00 per day stipend. The stipend is recommended because of added responsibilities and time of members because of their reviews of applications for the Idaho Tax Reimbursement Incentive. Additionally, the change will move the EAC to a seven region model which would increase the board to eight people. This bill will have zero fiscal burdens, costs would be absorbed by the Idaho Department of Commerce.

In response to questions, **Ms. Ronk**, stated the issue of a tie vote with an eight member board would need to be addressed because there are no rules on the situation. She also said currently all position on the EAC board are filled and the additional committee member would be an at large position that is rotated, and filled by someone who will add value and has a statewide prospective.

In response to questions, **Ms. Ronk**, stated there are no written rules that council members must live in the region they represent and the council has been around since the 1950's so some of its legislative language is broad. The governor makes sure the board members are from the regions in which they live.

In response to questions, **Ms. Ronk**, said the incentive awards have been given to mostly rural areas, but have been awarded all over the state. The council and the director will look at all qualifying projects which apply in all regions including multi-county regions.

ORIGINAL MOTION:

Rep. Romrell made a motion to send **H 79** to the floor with a **DO PASS** recommendation.

Rep. Nielsen stated he has concerns with the motion, because this will negatively impact small businesses.

In response to questions, **Ms. Ronk**, stated the tax incentive is divided into rural and urban areas and in urban areas 50 new jobs is the minimum to be considered and in rural areas a minimum of 20 new jobs is required.

Rep. Redman stated he will not support a do pass because this legislation only adds a per diem amount and a region.

Rep. Rudolph is concerned with the amount of money in tax deductions decided upon by a board. He feels this bill needs to be more defined before it is sent to the floor.

In response to questions, **Ms. Ronk**, stated they understand the significance the board members have to make the tax incentive decisions. In the history of the EAC, there have not been any cases of the location where board members live being an issue.

SUBSTITUTE MOTION:

Rep. Redman made a substitute motion to **HOLD H 79** in Committee.

Rep. King spoke in favor of the original motion because the change is about adding an eighth member and compensating members of the EAC and not about the premise of what the council does.

ROLL CALL VOTE ON SUBSTITUTE MOTION:

Chairman Hartgen requested a roll call vote on the substitute motion to **HOLD H 79**. **Motion carried by a vote of 9 AYE and 4 NAY. Voting in favor** of the motion: **Reps. Hartgen, Harris, Hotlzclaw, Chaney, Horman, Nielsen, Redman, Chew, and Rudolph. Voting in opposition** to the motion: **Reps. Anderson, Romrell, Packer, and King.**

RS 23502:

Rep. Harris presented **RS 23502** which will remove an unfair carve-out, giving special treatment to legislators to accumulated service time for PERSI benefits. Idaho statute governs the PERSI benefits that are eventually paid to part-time, elected officials who have been elected or appointed to a full-time government service. The split calculation considers both full and part-time portions of service in determining retirement benefits. There is no fiscal impact of this legislation.

In response to questions, **Rep. Harris**, stated this is in reference to any elected official who is a part-time elected official and if they are then elected full-time, they will transition to full-time benefits. A part-time employee is classified as working no more than 20 hours a week. The part time employees will receive the appropriate PERSI amount as deemed fair. If the part time employee transitions to working full-time, the accumulated time in each category will then be added to the calculation to determine appropriate benefits.

ORIGINAL MOTION:

Rep. Chaney made a motion to introduce **RS 23502**.

In response to question, **Rep. Harris** stated the actual amount of dollars in the PERSI accumulation is available and can be withdrawn. This change will only remove the carve-out for legislators. He stated, PERSI benefits would be calculated independently of the hours accumulated, as the appointee spends more time working full-time previously calculated part-time benefits would be deducted from the full-time benefits.

Rep. Packer stated as a legislator, it is full-time during session, but over the rest of the year it decreases to part-time, if that. The average hours worked for legislators over a year the time is part-time. This change will effect current legislators, if they take a full-time government service position prior to 1, July 2015.

In response to question, **Rep. Harris** stated this does not take into account that legislators are full-time for the legislative session, but not for the whole year. The equation is not changed, just the carve-out for legislators is removed.

Rep. Holtzclaw stated he does not agree with this proposal because it may discourage people from wanting to serve this state.

SUBSTITUTE MOTION:

Rep. Holtzclaw made a substitute motion to return **RS 23502** to the sponsor.

Rep. Chaney, stated he is in opposition to the substitute motion, because he pays into PERSI part-time so he should get the associated benefits.

Rep. Nielsen, stated his legislative job has limited his ability to work more hours at his other full time jobs and feels the legislative job is full-time.

Rep. Packer, spoke in support of the original motion. She feels this only affects those who go on to a full-time job after their time in the legislature. This will effect 1 or 2 % of legislators, but this change will level the playing field.

In response to questions, **Rep. Harris** stated that this change does not define part-time, this only eliminates the Idaho legislator exception.

ROLL CALL VOTE ON SUBSTITUTE MOTION:

Chairman Hartgen requested a roll call vote on the substitute motion to return **RS 23502** to the sponsor. **Motion failed by a vote of 1 AYE and 12 NAY. Voting in favor of the motion: Rep. Hotlzclaw. Voting in opposition to the motion: Reps. Anderson, Hartgen, Harris, Chaney, Horman, Nielsen, Redman, Romrell, Packer, Chew, King and Rudolph.**

ROLL CALL VOTE ON ORIGINAL MOTION:

Chairman Hartgen requested for a roll call vote on the original motion to introduce **RS 23502. Motion passed by a vote of 12 AYE and 1 NAY. Voting in favor of the motion: Reps. Anderson, Hartgen, Harris, Chaney, Horman, Nielsen, Redman, Romrell, Packer, Chew, King and Rudolph. Voting in opposition to the motion: Rep. Hotlzclaw.**

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 2:44 p.m.

Representative Hartgen
Chair

Erin Hutto
Secretary