

MINUTES
HOUSE BUSINESS COMMITTEE

DATE: Monday, February 23, 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:** Representative(s) Jordan

GUESTS: JT Hill, Fall River Propane; Jim Carlson, Ed Staub and Sons; D. Brett Dennis, Suburban Propane; Baron Glassgow, Rocky Mountain Propane Association; Mike Dayton, Double H Gas; Heidi Brough Nye, Residential Care Administrator Board; Rick Evans, Seven Devils Propane; Robert Grill, Board of Optometry; Barb Sterling, Counselor Board; Steven Turney, Board of Architects; Jim Thomas, Board of Landscape Architects; Dale G. Osterman, Geology Board; Maurice Ellsworth, Idaho Bureau of Occupational Licenses; Rob Pilote, Idaho Contractors Board; Tyler Mallard, IBCA; Shelley Roberts, Idaho Rural Water Association; Dennis Bell, Board of Speech and Hearing Services; Joan Cloonan, Board of Social Work Examiners and Board of Drinking Water & Wastewater Professionals; Piper Field, Board of Professional Counselors and Marriage and Family Therapists; Robert Payne, IBOL Social Work Examiners; Paula Wiens, IBOL-Midwifery; Barry Burnell, IBOL- Drinking Water and Wastewater Professional Board; Kris Ellis, Idaho Midwifery Council

Chairman Barbieri called the meeting to order at 1:32 PM.

H 93: **Baron Glassgow**, Executive Director of the Rocky Mountain Propane Association, presented to the committee **H 93**. He said for more than 100 years, propane has been a consistent, reliable and affordable source of energy in our country. During that time, propane has become a primary energy source to heat homes in rural areas. Propane companies service every county in Idaho; and, nearly 31,000 households in Idaho use propane as their primary source of heat.

Mr. Glassgow said this legislation restricts the filling of an LP-gas (propane) storage tank, or container, to its owner or someone with the owner's authorization. He said the industry's safety experience has clearly demonstrated the need to restrict who can fill a tank. Safety requires more than just specifying that a person be qualified or trained to fill a container.

Mr. Glassgow said the container is an integral part of a pressurized fuel system. He said if it is filled improperly, becomes damaged because of the filler's negligence, or is filled with contaminated gas, an accident could occur, resulting in property damage and personal injury. There may be times when, for safety reasons, a tank should not be filled. The owner of the tank clearly would have an incentive to repair the system before filling the tank. This is not so of a supplier, who would have a disincentive to report an unsafe condition since it might mean the loss of a sale. A small company without an investment in tanks and no commitment to service may not have sufficient incentive to carry insurance, be adequately funded, or have an incentive to take precautions before filling a tank. He said container laws like this have been adopted in 30 states.

In response to questions, **Mr. Glassgow** explained there are several propane companies in each market across the state. The Boise market alone has eight different propane companies that service the area. He said typically only a phone call from the customer is required for a customer to be released from a lease agreement. He responded there is no documentation indicating the scope of the problem in regard to safety concerns in Idaho.

MOTION: **Rep. Smith** made a motion to send **H 93** to the floor with a **DO PASS** recommendation.

Discussion continued as to whether a breach of the lease agreement would be adequately covered by contract law. **Mr. Glassgow** responded, with this law, the violation would be against the other company not the consumer. The point is to deter the other company from this practice. The lease agreement is between the propane tank owner and the customer. In response to a question whether he would be in favor of capping the penalty, Mr. Glassgow said he would as long as it was a significant enough deterrent to discourage this type of practice.

Mike Dayton, Double H Gas, testified **in support** of the **H 93**. He said this legislation would ensure personal safety of the customers as well as their personal property. It will also insure the financial security of the companies that operate ethically and within the guidelines of industry standards. He pointed out there are no rules and regulations in place to protect a company's container which is the center of the propane company's business.

In response to questions, **Mr. Dayton** said there are only verbal agreements between companies not to fill someone else's containers. Because of this, there is no way to enforce this agreement.

Rick Evans, Seven Devils Propane, testified **in support** of **H 93**. He said the gas check form used by legitimate propane companies is required by all insurance companies. Accidents happen when rogue propane companies fail to check the entire system. They want to make a quick sale, not establish a long-term relationship with the customer.

Rep. Clow warned if the legislation is not passed, the problem would occur between the consumer and owner of the tank. The company would have to sue the customer for a violation. If the bill is in place, the rogue company would be paying the fees, not the consumer.

VOTE ON MOTION: Roll call vote was requested. **Motion failed by a vote of 7 AYE, 10 NAY, 1 Absent/Excused. Voting in favor** of the motion: **Reps. Clow, Kauffman, Anderst, Beyeler, Troy, Smith, and Rusche. Voting in opposition** to the motion: **Reps. Collins, Crane, Palmer, Thompson, Batt, Hixon, Monks, DeMordaunt, Dixon, Barbieri. Rep. Jordan** was absent/excused.

H 116: **Maurice Ellsworth**, Legal Counsel for the Bureau of Occupational Licenses, presented to the committee **H 116**. He said this bill is designed to do two things. It updates the list of Boards and a Commission with whom the Bureau contracts and also updates the names of boards which were changed since the statute was last updated. It also clarifies the authority of Boards and Commissions who contract with the Bureau so they can assess and collect attorney fees incurred in their investigation and prosecution from a licensee or registrant who is found to have violated the laws or rules of the Board or Commission. He said part of the legislation is in response to a 2014 Supreme Court decision. This decision held that the current Bureau law needed to be clarified in order to allow Boards to collect attorney fees from licensees or registrants found to have violated the law or rules of the Board. He said this is important because these self-regulating boards rely on licensure fees for their operations. They receive no General Fund money. If a Board is unable to recoup the costs and fees from violators of its laws, the only alternative is to raise fees for all

licensees and registrants to assure the Board is self-supporting. This language will help avoid increases in licensure fees.

Tyler Mallard, representing the Idaho Building Contractors Association, testified in support of **H 116**. He said the ability to assess and collect attorney fees is essential.

MOTION: **Rep. Thompson** made a motion to send **H 116** to the floor with a **DO PASS** recommendation.

Shelley Roberts, representing the Idaho Rural Water Association, testified in support of **H 116**. She said she represents the 350 drinking water and waste water systems in Idaho. They are in favor of the bill because it makes sense to keep the licensing fees down to those members who are in good standing.

VOTE ON MOTION: **Motion carried by voice vote. Rep. Thompson** will sponsor the bill on the floor.

H 117: **Maurice Ellsworth**, Legal Counsel for the Bureau of Occupational Licenses, presented to the committee **H 117**. He said the legislation will accomplish several goals. Due to the fact the proposed amendments were so extensive, it will repeal and replace Section 2614. The changes are mostly organizational by removing outdated language and making it easier to understand and comply. It raises the renewal fee from \$25 to \$35 for a license or registration that has been allowed to expire for up to five years. It eliminates the requirement to pay all back-licensure fees for the years during which the license or registration was expired. It also provides the procedure for relicensure or reregistration by someone whose license or registration has been expired for more than five years.

In response to a question, **Mr. Ellsworth** said good moral character is a concept that appears in a lot of statutes. The court has determined the definition through a body of case law. It usually deals with violations of the law dealing with dishonesty.

MOTION: **Rep. Rusche** made a motion to send **H 117** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Ruche** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 2:41 PM.

Representative Barbieri
Chair

Francoise Cleveland
Secretary