

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

**DATE:** Thursday, January 19, 2017

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

**PLACE:** Room EW41

**MEMBERS:** Chairman Anderst, Representatives Palmer, Stevenson, Armstrong, Manwaring, Toone

**ABSENT/  
EXCUSED:** None

**GUESTS:** Francoise Cleveland, AARP Idaho; Teri Ottens, IAMP; Michael Larsen, ID Dept. of Finance; Miguel Legarreta, Assoc. of Taxpayers; Jim Burns, Dept. of Finance; Patricia Highley, Dept of Finance; Alan Conilye, OAG

**Chairman Anderst** called the meeting to order at 1:58 p.m.

**Rep. Armstrong** was assigned to proofread the minutes.

**DOCKET NO. 01-0101-1601:** **Kent Absec**, Board of Accountancy, stated this proposed Idaho Accountancy rule is being added to emphasize licensees who let their CPA or LPA license lapse and elect not to have their license moved to a status of "inactive" or "retired" may use the word "former" without violating Idaho Code.

**MOTION:** Rep. Palmer made a motion to recommend the full committee approve **Docket No. 01-0101-1601. Motion carried by voice vote.**

**DOCKET NO. 10-0101-1601:** **Keith Simila**, Board of Professional Engineers and Land Surveyors, presented **Docket No. 10-0101-1601**. The proposed rule will update the education requirements for licensure as a professional land surveyor for applicants with unaccredited surveying or related programs. The update aligns Idaho's education requirements with those used in most states and broadens the course options for those with unaccredited or non-surveying 4-year degrees. It provides more educational choices for those seeking to enter the land surveying profession.

**MOTION:** **Rep. Stevenson** made a motion to recommend the full committee approve **Docket No. 10-0101-1601. Motion carried by voice vote.**

**DOCKET NO. 10-0101-1602:** **Keith Simila**, Board of Professional Engineers and Land Surveyors, presented **Docket No. 10-0101-1602**. The proposed rule amendment adds a provision establishing procedures to implement a restricted PE license for faculty who teach upper division engineering courses at Idaho universities.

**MOTION:** **Rep. Manwaring** made a motion to recommend the full committee approve **Docket No. 10-0101-1602. Motion carried by voice vote.**

**DOCKET NO. 10-0102-1601:** **Keith Simila**, Board of Professional Engineers and Land Surveyors, presented **Docket No. 10-0102-1601**. The proposed rule change adopts language clarifying ethics rules. It is imperative licensees understand they must express opinions upon founded knowledge of the facts.

**MOTION:** **Rep. Toone** made a motion to recommend the full committee approve **Docket No. 10-0102-1601. Motion carried by voice vote.**

- DOCKET NO. 12-0108-1601:** **Jim Burns**, Idaho Department of Finance, presented **Docket No. 12-0108-1601**. The reason for adopting the proposed Pending Rule is to reflect changes that have been made to existing guidance governing securities industry participants such as dealers, dealer and advisor sales agents, investment advisors and issuers of securities. Recently the former National Association of Securities Dealers (NASD) was renamed as the Financial Industry Regulatory Authority (FINRA). Various rules changes are associated with eliminating and replacing NASD references to FINRA references.
- MOTION:** **Rep. Manwaring** made a motion to recommend the full committee approve **Docket No. 12-0108-1601**. **Motion carried by voice vote.**
- DOCKET NO. 12-0110-1601:** **Mike Larsen**, Idaho Department of Finance, presented **Docket No. 12-0110-1601**. The effect of this rule, if adopted, would be to promote consistent, uniform and familiar industry standards in the marketplace by updating references to federal laws and regulations. These updates are an effort by the Department to avoid exposing Idaho's mortgage licensees to inconsistencies in federal and state requirements.
- Terri Ottens**, Idaho Association of Mortgage Professionals, spoke **in support** of the rule.
- MOTION:** **Rep. Stevenson** made a motion to recommend the full committee approve **Docket No. 12-0110-1601**. **Motion carried by voice vote.**
- DOCKET NO. 48-0101-1601:** **Roger Batt**, Idaho Grape Growers and Wine Producers, presented **Docket No. 48-0101-1601**. Mr. Batt stated the proposed rules govern the voluntary taxes that are paid by grape growers and wine producers. These taxes are not mandatory. Grape growers and wine producers can opt out of payment of these taxes by submitting a letter to the Grape and Wine Commission's office. Rules language has been stricken and scored for easier readability.
- MOTION:** **Rep. Toone** made a motion to recommend the full committee approve **Docket 48-0101-1601**. **Motion carried by voice vote.**
- DOCKET NO. 18-0110-1601:** **Dean Cameron**, Director, Idaho Department of Insurance, presented **Docket No. 18-0110-1601**. The proposed rule seeks to add language concerning insurance producers' handling of fiduciary funds. The rule specifically relates to bail bonds and provides deposit rules for cash collateral similar to that of other funds insurance producers receive from clients. In answer to questions, **Tom Donovan**, Deputy Director, Idaho Department of Insurance, stated the rule is silent on whether cash collateral shall be in interest bearing accounts. Mr. Donovan also stated interest earned on cash collateral does not go to the client.
- MOTION:** **Rep. Armstrong** made a motion to recommend the full committee approve **Docket 18-0110-1601**. **Motion carried by voice vote.**
- DOCKET NO. 18-0148-1601:** **Dean Cameron**, Director, Idaho Department of Insurance, stated the proposed **Docket No. 18-0148-1601** will benefit insurance companies and agents by eliminating the need to mail duplicative notices annually. Customers will benefit from not receiving redundant notices that do not provide new information.
- MOTION:** **Rep. Palmer** made a motion to recommend the full committee approve **Docket No. 18-0148-1601**. **Motion carried by voice vote.**
- DOCKET NO. 18-0150-1601:** **Dean Cameron**, Director, Idaho Department of Insurance, presented **Docket No. 18-0150-1601**. The pending rule seeks to amend the International Fire Code to match the adoption of the International Building Code by the Division of Building Safety. The docket addresses the subject of sky lanterns by replacing the current prohibition on release of untethered sky lanterns with new language requiring a permit for their release. It authorizes the local fire jurisdiction to restrict or place conditions on their release.

**MOTION:** **Rep. Palmer** made a motion to send **Docket No. 18-0150-1601** to the full committee without recommendation for further discussion. **Motion carried by voice vote.**

**DOCKET NO. 18-0154-1601:** **Dean Cameron**, Director, Idaho Department of Insurance, presented **Docket No. 18-0154-1601**. The proposed rule seeks to require all Medicare Supplement (Medigap) carriers to offer coverage to pre-65 Medicare eligible individuals. Twelve of Idaho's 44 counties do not have Medicare Advantage plan options in 2017. This means people on Medicare under age 65 in those counties do not have a guaranteed coverage option to help with Medicare costs.

**MOTION:** **Rep. Toone** made a motion to recommend the full committee approve **Docket No. 18-0154-1601**. **Motion carried by voice vote.**

**DOCKET NO. 18-0156-1601:** **Dean Cameron**, Director, Idaho Department of Insurance, stated the proposed rule addresses rebates and illegal inducements to obtaining title insurance business. The rule provides limits on what items of value may be provided to producers of title business.

**MOTION:** **Rep. Armstrong** made a motion to recommend the full committee approve **Docket No. 18-0156-1601**. **Motion carried by voice vote.**

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 3:17 p.m.

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Representative Anderst  
Chair

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Joyce McKenzie  
Secretary