

MINUTES
SENATE STATE AFFAIRS COMMITTEE

DATE: Wednesday, February 21, 2018

TIME: 8:00 A.M.

PLACE: Room WW55

MEMBERS PRESENT: Chairman Siddoway, Vice Chairman Hagedorn, Senators Hill, Winder, Lodge, Vick, Anthon, Stennett, and Buckner-Webb

ABSENT/ EXCUSED: None

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

CONVENED: **Chairman Siddoway** called the meeting of the Senate State Affairs Committee (Committee) to order at 8:05 a.m. with a quorum present.

INTRODUCTION OF PAGE: **Chairman Siddoway** welcomed Jayden Huston to the Committee and asked her to introduce herself. **Ms. Huston** stated she attends Mountain Home High School, and plans to attend the University of Idaho to study sports medicine. She said she likes playing soccer and pursues artistic endeavors. **Ms. Huston** indicated she would like to learn more about politics, build up her resumé, and meet new people. **Chairman Siddoway** noted that Ms. Huston has worked on a dairy farm and has experience with childcare.

VOTE ON GUBERNATORIAL APPOINTMENT: **The appointment of Irving Littman to the Idaho Endowment Fund Investment Board.**

Senator Winder moved to send the gubernatorial appointment of Irving Littman to the Idaho Endowment Fund Investment Board (IEFIB) to the floor with the recommendation that he be confirmed by the Senate. **Senator Buckner-Webb** seconded the motion.

Senator Winder commented that Mr. Littman has an extensive background in investments and financial management. He noted he has served on the IEFIB with Mr. Littman, who has been on the IEFIB about six months. He declared Mr. Littman brings an insightful approach in dealing with managers and in asking the right questions. **Senator Winder** expressed a high level of confidence in Mr. Littman.

The motion carried by **voice vote**.

RS 25711 **RELATING TO CODIFIER'S CORRECTIONS to make various codifier and technical corrections to the Idaho Code.**

RS 26159 **A UNANIMOUS REQUEST from the Senate Commerce and Human Resources Committee relating to prohibited practices of collection agencies.**

MOTION: **Senator Winder** moved to send **RS 25771** and **RS 26159** to print. **Senator Anthon** seconded the motion.

Senator Stennett requested more information on **RS 26159** before the vote. **Senator Potts** explained this legislation would align the section of Idaho Code known as the Idaho Collections Agency Act (ICAA) with the federal Fair Debt Collection Practices Act (FDCPA). The purpose is to clarify that, in debt collections, a contract can still be enforced. He remarked that the ICAA puts an unconstitutional prohibition on the freedom of businesses and industries to contract. Although contracts usually address the issue of collections, currently, judges are given the ability to ignore or not enforce private contracts.

Senator Lodge asked who requested he bring this legislation. **Senator Potts** stated it was Representative Zollinger. **Senator Lodge** inquired with whom they worked. **Senator Potts** responded John Watts, who represents debt collection agencies, participated. He added they have also talked with the Department of Finance. The Department of Finance did not express concern.

Senator Lodge asked what issues referred to in the Statement of Purpose face collection agencies. **Senator Potts** replied judges award different amounts than what are set in the contract.

Senator Lodge asked what business is Representative Zollinger's in. **Senator Potts** stated he collects debt. **Senator Lodge** requested Senator Potts find out what is different about this agreement than what was in an agreement made last year. **Senator Potts** agreed to provide that information to Senator Lodge.

Senator Winder pointed out that Senator Potts spoke with him and Senator Hill about the bill, and they told him he had to go back and get a unanimous consent before he could bring it before the Committee.

**UNANIMOUS
CONSENT:**

Senator Hill asked for unanimous consent to vote on each RS separately. There were no objections.

VOTE:

Motion to send **RS 25711** to print carried by **voice vote**.
Motion to send **RS 26159** to print carried by **voice vote**.

H 403

RELATING TO THE STATE TREASURER to revise provisions regarding allowable investments by the State Treasurer.

Laura Steffler, Chief Deputy Treasurer, Idaho State Treasurer's Office, stated she would fill in for Edlene Ohman. **Ms. Steffler** stated **H 403** is a clarification to existing code regarding corporate bonds. Current code uses "controlled in the United States," and **H 403** changes the phrase to "domiciled in the United States" to ensure corporate entities in which the State of Idaho invests are domiciled in the United States. **H 403** also mandates all litigation will be under the jurisdiction of the United States.

MOTION:

Senator Hill moved to send **H 403** to the floor with a **do pass** recommendation. **Vice Chairman Hagedorn** seconded the motion. The motion carried by **voice vote**.

H 404

RELATING TO POWERS AND DUTIES of the Credit Rating Enhancement Committee.

Laura Steffler, Chief Deputy Treasurer, Idaho State Treasurer's Office, related **H 404** deals with the Credit Rating Enhancement Committee (CREC). She indicated the current code requires the CREC to create a report for the Governor and legislative leadership by August 1. She pointed out, with the fiscal year ending June 30, the CREC feels that is not enough time to do the necessary analyses. **Ms. Steffler** explained the CREC determined December 1 to be a better date in order to allow more time to compile a more comprehensive report. It will also allow the Legislature and Governor to review the report prior to the Legislative session.

MOTION: **Vice Chairman Hagedorn** moved to send **H 404** to the floor with a **do pass** recommendation. **Senator Lodge** seconded the motion. The motion carried by **voice vote**.

H 416 **RELATING TO THE STATE HISTORICAL SOCIETY to provide that certain artifacts, materials, and buildings are held in trust.**

Janet Gallimore, Executive Director, Idaho State Historical Society (ISHS), reported the ISHS has the authority and responsibility to collect, preserve, and promote Idaho's history. She related that the ISHS has been gathering the State's history since 1881. The historical resources over which the ISHS is steward as:

- 50,000 objects,
- 100,000 prehistoric artifacts,
- 130,000 feet of government records,
- 30,000 rolls of microfilm,
- 500,000 photographs,
- 5,000 films and videos,
- 3,100 oral histories,
- 32,000 maps,
- 25,000 books and periodicals, and
- 60 historic and contemporary structures.

Ms. Gallimore detailed other responsibilities of the ISHS; she emphasized that the agency illuminates Idaho's future and helps people explore and appreciate Idaho's rich past.

Ms. Gallimore stated **H 416** amends Idaho Code § 67-4121 to clarify regulations regarding disposition of ISHS collections. Amending Idaho Code will ensure ISHS collections are held in trust for the people of Idaho and :

- are not treated as capitalized or financial assets,
- support the ISHS mission and public trust responsibilities, and
- are protected, secure, unencumbered, cared for, and preserved.

Ms. Gallimore pointed out that under industry professional standards, proceeds from the sale of collections are to be used for the advancement of the ISHS mission, including acquisition or care of collections (see Attachment 1).

Ms. Gallimore shared further information regarding the collections and cultural resources under the management of ISHS (see Attachment 2).

MOTION: **Senator Buckner-Webb** moved to send **H 416** to the floor with a **do pass** recommendation. **Vice Chairman Hagedorn** seconded the motion.

Chairman Siddoway asked where the income from sales of properties is generally directed. **Ms. Gallimore** explained the ISHS board has a management policy outlining the disposition of sales. Proceeds from sales go into a fund for the acquisition or care of collections. **Chairman Siddoway** inquired if the proceeds from the sale of a building would go back into the Permanent building fund. **Ms. Gallimore** replied that most of the buildings held by ISHS are historic buildings, and it would be unlikely they would be sold. She added the sale of the buildings is outside the scope of this legislation. More modern buildings are owned by the State so the sale of those buildings would not be in their purview.

Senator Winder explained the use of museum collections in other states were put on asset sheets and pledged as collateral for debt. This amendment will eliminate that possibility.

The motion carried by **voice vote**.

**DOCKET NO:
21-0101-1701**

IDAPA 21 - DIVISION OF VETERANS SERVICES – 21-01-01 Rules Governing Admission, Residency, and Maintenance Charges in Idaho State Veterans Homes and Division of Veterans Services Administrative Procedure.

Tracy Schaner, Deputy Administrator of the Division of Veteran Services, requested approval of the pending rules governing the State veterans homes. She noted, due to extensive revisions to the nursing home federal regulations, facilities can no longer waive their liability for loss of resident personal property. The pending rule removes Section 203, as it is no longer enforceable. **Ms. Schaner** related that negotiation and written comments were not involved concerning this rulemaking, as it was necessary to meet federal regulations. She explained there is an estimated ongoing fiscal impact of \$20,000 to federal funds and operating funds; no impact is expected for the General Funds.

MOTION:

Senator Lodge moved to approve **Docket No. 21-0101-1701**. **Senator Hagedorn** seconded the motion. The motion carried by **voice vote**

**MINUTES
APPROVAL:**

Senator Anthon moved to approve the Minutes of January 17, 2018. **Vice Chairman Hagedorn** seconded the motion. The motion carried by **voice vote**.

Senator Winder moved to approve the Minutes of January 31, 2018. **Senator Hill** seconded the motion. The motion carried by **voice vote**.

ADJOURNED:

There being no further business, **Chairman Siddoway** adjourned the meeting at 8:36 a.m.

Senator Siddoway
Chair

Twyla Melton
Secretary

Carol Cornwall
Assistant Secretary