

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, January 09, 2020

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Patrick, Vice Chairman Agenbroad, Senators Martin, Lakey, Guthrie, Thayn, Souza, Ward-Engelking, and Burgoyne

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 Patrick** called the Senate Commerce and Human Resources Committee (Committee) meeting to order at 1:30 P.M.

PASSED THE GAVEL Chairman Patrick passed the gavel to Vice Chairman Agenbroad to introduce the presenters for the rules.

DOCKET NO. 01-0101-1900F **Rules of the Board of Accountancy - Omnibus Rulemaking**, page 4. **Kent Absec**, Executive Director, Idaho Board of Accountancy (IBOA), reported there is one chapter which consists of existing rules that have been previously reviewed and approved by the Legislature. **Mr. Absec** indicated nine pages of rules were eliminated for a 36.5 percent reduction and 210 restrictive words were eliminated, representing a 93 percent reduction. He outlined some of the changes by citing a few examples, such as the removal of year-round testing and the return of records of a Certified Public Accountant (CPA). Rules were made easier to read and less confusing. He stated it was easier for a licensed individual who moved from out-of-state to receive their records electronically by no longer requiring the other states to provide a paper report with the status of that individual's license.

DISCUSSION: **Chairman Patrick** queried if there were any substantive changes to the original memos and **Mr. Absec** replied there were none.

MOTION: **Senator Thayn** moved to approve **Docket No. 01-0101-1900F**. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 15-0400-1900 **Rules of the Office of the Governor, Division of Human Resources and Personnel Commission, Omnibus Rulemaking**, p. 283. **Susan Buxton**, Administrator, Idaho Division of Human Resources (IDHR), stated four pages of rules were eliminated to make the rules more concise and 13 outdated rules and 16 definitions were removed.

DISCUSSION: **Vice Chairman Agenbroad** asked if there were any substantive changes since the original memo was issued and **Ms. Buxton** said there were none.

MOTION: **Senator Ward-Engelking** moved to approve **Docket No. 15-0400-1900**. **Senator Thayn** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 28-0000-1900 **Rules of the Department of Commerce, Notice of Omnibus Rulemaking**, p. 663. **Ewa Szewczyk**, Grants and Contract Manager, Idaho Department of Commerce (IDOC), outlined the changes in the rules, indicating eight chapters were reduced to two. There were no changes to the original Memo. She highlighted the changes and reported the guidelines would be reviewed on an annual basis.

- DISCUSSION:** **Chairman Patrick** asked if there were any changes in the memo from July 1, 2019. **Ms. Szewczyk** stated there were none and all grants were combined into one chapter.
- MOTION:** **Senator Martin** moved to approve **Docket No. 28-0000-1900**. **Senator Souza** seconded the motion. The motion carried by **voice vote**.
- DOCKET NO. 59-0000-1900** **Rules of the Public Employees Retirement System of Idaho, Notice of Omnibus Rulemaking**, p. 679. **Mike Hampton**, Deputy Director, Public Employee Retirement System of Idaho (PERSI), detailed the changes that were made within two chapters and the consolidation of nine chapters into two. **Mr. Hampton** highlighted a few changes and indicated Rule 549 was added to explain the order of steps for how to collect a formal withdrawal liability.
- DISCUSSION:** **Chairman Patrick** asked if there were any substantive changes in the memo since July 1, 2019 and **Mr. Hampton** said there were none.

Vice Chairman Agenbroad asked for an explanation of the intent of Rule 549. **Mr. Hampton** said this was done because of an instance where a governmental agency filed for bankruptcy in southern Idaho. Members and employers were asking questions about what the process would be to collect that withdrawal fee. The PERSI Board decided it was best for membership and stakeholders to put definitions in rule to make sure the concept was easily understood.

In response to questions posed by Senator Burgoyne regarding the need for PERSI to make a committed effort to recover any funds that may be due and whether the authority was a taxpayer or supported fee authority, **Mr. Hampton** indicated the authority was an agency formulated by a local authority by statute. He remarked the process of bankruptcy of a public entity and the impact and consequences that are occurring have not been seen before in Idaho.

Senator Lakey and **Mr. Hampton** discussed the status of a public entity that files for bankruptcy and the consequences when Chapter 9 has been filed for reorganization. They discussed the intent of this rule, the end result, and what happens to employee benefits.

Chairman Patrick commented revenue bonds have a risk and the burden is on the lender. Taxing entities could go back to the taxpayers for more money. **Mr. Hampton** indicated PERSI is moving through the process slowly and deliberately to pursue every possible angle in order to not affect any member's retirement.

Senator Burgoyne reiterated the Legislature needs to look into this issue. He remarked it is difficult to imagine how a government entity can get into this situation.

In response to a question posed by Senator Lakey, **Mr. Hampton** stated if a public entity goes bankrupt, once they withdraw, they cannot participate in PERSI in the future.

- MOTION:** **Senator Ward-Engelking** moved to approve **Docket No. 59-0000-1900**. **Senator Thayne** seconded the motion. The motion carried by **voice vote**.
- DOCKET NO. 33-0000-1900F** **Rules of the Real Estate Commission, Notice of Omnibus Rulemaking, Adoption of Pending Fee Rule** p. 338. **Michelle Bird**, Executive Director, Idaho Real Estate Commission (IREC), provided an overview of the changes made by the IREC, that included eliminating two chapters of rules and reducing 28 pages to four pages. She commented fee rules were put into a table for clarity. The most beneficial change was to eliminate the chapter on handling contested cases, since this chapter aligned with the Attorney General's rules.

- DISCUSSION:** **Senator Burgoyne** and **Ms. Bird** discussed agency rules versus the Attorney General's rules. **Ms. Bird** advised the changes were minor and not superior to the Attorney General's rules.
- MOTION:** **Senator Souza** moved to approve **Docket No. 33-0000-1900F**. **Senator Martin** seconded the motion. The motion carried by **voice vote**.
- PASSED THE GAVEL:** Vice Chairman Agenbroad passed the gavel to Chairman Patrick.
- Chairman Patrick** thanked the agencies for all of their hard work.
- ADJOURNED:** There being no further business at this time, **Chairman Patrick** adjourned the meeting at 2:08 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary