

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 06, 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 meeting of the Senate Commerce and Human Resources Committee (Committee) to order at 1:30 p.m.

MINUTES APPROVAL: **Chairman Patrick** announced the minutes approval would be moved to a later time on the agenda.

RS 27238 **Relating to Manufactured Homes.** **Patrick Grace**, Regional Manager, Idaho Division of Building Safety (IDBS), indicated this proposed legislation seeks to eliminate certain license types and remove barriers to licensing. This proposed legislation eliminates the resale broker license and requires a person who sells only used homes to obtain the retailer license. The prices of both licenses are the same and licensing requirements for both are similar.

Mr. Grace explained the difference between manufactured homes and mobile homes and how they are regulated.

Mr. Grace noted Idaho Code § 44-2101 requires a person who is employed by a retailer or resale broker and who sells, lists, purchases, or exchanges new or used homes for a salary, commission, or other compensation to obtain a salesman license. Idaho Code requires a person who supervises the employees of a retailer, resale broker, or installer, to obtain a responsible managing employee (RME) license. This proposed legislation eliminates the salesman and RME licenses. The salesman and RME licenses were intended to require the employees of retailers, resale brokers, and installers to meet the same standards as their employers. The Factory Built Structures Advisory Board and IDBS intend to meet that objective by holding retailers and installers responsible for the conduct of their employees.

Mr. Grace indicated this legislation allows those who may currently utilize a resale broker license to continue to sell third-party (used) owned homes by expanding the types of homes a retailer may sell.

Mr. Grace reported Idaho Code § 44-2101(1) requires applicants for original retailer or resale broker licenses to submit to a criminal history background check. This proposed legislation eliminates the background check. He noted the IDBS has not found the background check to be effective. Because the background check is required only upon initial (not renewal) application, it does not protect against future criminal violations of licensees. In addition, the IDBS does not have any record of a denied application based on the findings of background checks. Background checks inhibit the rehabilitation of persons with criminal backgrounds seeking retailer or resale broker licenses.

Mr. Grace stated this legislation will not have a fiscal impact on any general or federal funds. This legislation will have a negative fiscal impact of approximately \$3,500 over the course of a fiscal year on the factory-built structures dedicated fund, due to the elimination of revenue generated by fees for the eliminated licenses.

MOTION: **Senator Lakey** moved to send **RS 27238** to print. **Senator Thayn** seconded the motion. The motion carried by **voice vote**.

MINUTES APPROVAL: **Senator Ward-Engelking** moved to approve the Minutes of January 30, 2020. **Senator Thayn** seconded the motion. The motion carried by **voice vote**.

RS 27521 **Relating to the Right to Repair.** **Senator Nelson** stated this proposed legislation provides for the fair repair of electronic equipment. It requires manufacturers to make available parts, service literature, diagnostic equipment, and proprietary tools to consumers and independent repair facilities. He noted electronic equipment ranges from smartphones to farm equipment where a microprocessor is part of the product. **Senator Nelson** remarked the legislative intent is to maintain freedom of commerce by preventing manufacturers of electronic equipment from controlling repairs, so the only choice for the consumer is the manufacturer-owned or controlled facility.

Senator Nelson indicated there is no projected increase or decrease in existing or future appropriations in revenues by the state or units of local government because the provisions of this bill will largely be enforced through private litigation. Existing budgets would absorb any additional workload dealing with consumers through the Attorney General's office.

DISCUSSION: **Senator Souza** and **Senator Nelson** discussed the availability of parts and the consequences of not having them available.

MOTION: **Senator Souza** moved to send **RS 27521** to print. **Vice Chairman Agenbroad** seconded the motion. The motion carried by **voice vote**.

RS 27594 **Relating to Credit Union Act Update.** **Ryan Fitzgerald**, Northwest Credit Union Association (NWCUA), indicated the purpose of this bill is to update and modernize the investment, lending, and fixed asset provisions of the Idaho Credit Union Act (ICUA). The legislation provides flexibility and modern provisions to allow Idaho state-chartered credit unions to better serve their members.

Mr. Fitzgerald reported the updates to the ICUA provide the following: 1.) clarifies requirements and provides more flexibility for credit unions that acquire and hold fixed assets, as well as provides guidelines for the disposal of acquired assets; 2.) provides flexibility for individual Idaho credit unions to determine the best overall mixture of fixed assets; 3.) reorganizes the lending section of the ICUA to keep pace with modernized lending requirements within the marketplace; 4.) provides clarity and regulation alignment for credit unions who wish to work collaboratively on loan participations; 5.) updates and clarifies loan maturity limits, while aligning when the Idaho Department of Finance (IDOF) can require an appraisal on a loan; 6.) modernizes investment practices to align with the flexibility being offered to federally-chartered credit unions regulated by the National Credit Union Administration (NCUA); 7.) provides additional government-backed investment vehicles to allow for more flexible investments for state-chartered credit unions; and 8.) updates the authority to invest in Credit Union Service Organizations (CUSO), which aligns with NCUA regulations.

Mr. Fitzgerald stated there will be no fiscal impact to the General Fund associated with this proposed legislation. The provisions of this legislation specifically relate to the investments and lending practices of state-chartered credit unions and will

require no additional resources of the IDOF, nor will it increase or decrease the IDOF's revenues or expenditures.

MOTION: **Senator Souza** moved to send **RS 27594** to print. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

RS 27652 **Relating to Firefighter Collective Bargaining.** **Rob Shoplock**, Professional Firefighters of Idaho, presented on behalf of Shaun Laughlin, and indicated this proposed legislation amends Idaho Code §§ 44-1806 and 44-1807, pertaining to firefighter collective bargaining. **Mr. Shoplock** noted that under existing law, if an impasse between the representative of the employer and the firefighters is reached, the parties will use Federal Mediation and Conciliation Service (FMCS) as mediators to try and resolve the issue. If the issue is not resolved through mediation, the proposed amendments affect how fact-finders are selected. This proposed legislation institutes a process for how a final contract is produced using previously negotiated articles, in conjunction with the factfinder's recommendations. It also makes the factfinder's decision final and binding upon both parties, rather than merely advisory. A two-week period will be available for both sides to come together and resolve the issue before the fact-finding decision becomes binding.

Mr. Shoplock stated there is no projected increase or decrease in existing or future appropriations, nor an increase or decrease in revenue by the state or units of local government. Factfinding is current in the firefighters' collective bargaining process that results in a certain amount of expense. This legislation does not increase that expense, as it simply provides for mediation, makes the factfinder's recommendation binding instead of advisory, and otherwise makes the process operate more effectively.

MOTION: **Senator Guthrie** moved to send **RS 27652** to print. **Senator Burgoyne** seconded the motion. The motion carried by **voice vote**.

RS 27558 **Concurrent Resolution Relating to the Adoption of Electric Vehicle-Ready Multi-Family and Commercial Building Codes.** **Senator Stennett**, coauthor of this proposed legislation, introduced Representative Rubel. **Representative Rubel** stated this concurrent resolution recognizes the economic benefits to Idaho arising from the increased use of electric vehicles, and asks the Idaho Building Code Board (IBCB) to study and consider standards for multi-family residential dwellings and commercial buildings that include electric vehicle-capable infrastructure, which would include a place to plug in electric cars.

Representative Rubel remarked this concurrent resolution would not require any outlay from the General Fund or any other state or local fund. The IBCB already conducts analyses of many factors in considering code standards and this resolution would not cause additional costs to be incurred in that process.

DISCUSSION: **Senator Souza** and **Representative Rubel** discussed how the adoption of this concurrent resolution would work and whether the installation of plugs for electric cars could be incorporated into the building code as a requirement. **Senator Souza** stated she would only be in support of this concurrent resolution if the requirement was optional.

MOTION: **Senator Ward-Engelking** moved to send **RS 27558** to print. **Senator Burgoyne** seconded the motion.

ROLL CALL VOTE: **Chairman Patrick** called for a roll call vote on the motion to send **RS 27558** to print. **Senators Martin, Lakey, Guthrie, Thayn, Souza, Ward-Engelking, Burgoyne, Vice Chairman Agenbroad, and Chairman Patrick** voted aye. The motion carried unanimously.

S 1262

Relating to Employment Security Law. **Jani Revier**, Director, Idaho Department of Labor (IDOL), outlined the proposed amendments to Idaho Code §§ 72-1351(2), 72-1336, and 72-1352A. She noted the changes relieve charges to an employer's unemployment account when an employee leaves employment based on a personal choice and still qualifies for benefits. **Ms. Revier** explained when an individual receives unemployment insurance, that impacts the experience rating of their previous employers. More unemployment insurance claims result in a higher experience rating and a higher tax rate. Conversely, fewer claims mean a lower rating and lower tax rate. The IDOL believes this is a business-friendly approach that does not punish an employer for circumstances outside of their control. The fiscal impact to this change is negligible since it simply codifies current practices. This legislation also removes a reference to an official IDOL seal.

Ms. Revier noted outdated language is removed, giving corporate officers greater flexibility when deciding whether to exempt themselves from unemployment insurance coverage or to remain covered. **Ms. Revier** explained the current law requires a decision by December 15 of the year prior to the election. The proposed change will require a decision by March 31 of the first year of the election. This change will allow businesses to make the decision after receiving notification on their current tax rates, which gives corporate officers additional time to make sound business decisions for their firm.

There is no fiscal impact resulting from this change as it only grants the corporate officer more time to decide whether to "opt in or opt out" of coverage. **Ms. Revier** noted there is no impact to the General Fund due to these proposed changes.

MOTION:

Senator Guthrie moved to send **S 1262** to the floor with a **do pass** recommendation. **Vice Chairman Agenbroad** seconded the motion. The motion carried by **voice vote**.

S 1275

Relating to Health Benefit Options. **Senator Buckner-Webb** reported this legislation will require health benefit plans to provide reimbursement for a six-month supply of contraceptives. Currently, many insurance plans reimburse for a one- to three-month supply of contraception. **Senator Buckner-Webb** noted this legislation will require any health benefit plan issued or renewed on or after January 1, 2020 that covers contraceptives approved by the federal Food and Drug Administration (FDA), to provide reimbursement for a six-month refill of contraception obtained at one time by the enrollee. The enrollee or the prescribing provider may request a smaller contraceptive supply.

Senator Buckner-Webb stated there is no foreseen fiscal impact to the State because it will only result in policy changes for insurance companies. She remarked the passage of this legislation will improve women's health care and reduce costs. This proposed legislation makes birth control accessible, which is of special concern for women in rural communities.

DISCUSSION:

Senator Guthrie, **Senator Souza**, and **Senator Buckner-Webb** discussed copays based on a one-month supply of birth control pills as opposed to a six-month supply from a health benefit plan.

TESTIMONY: The following testified in support of the bill, noting the benefits of receiving a six-month supply of birth control pills rather than one month, avoiding unplanned pregnancies, painful periods, and access for those who live in rural areas: **Laurie Burelle**, Southwest Idaho Chapter of the National Organization of Women (NOW); **Sylvia Chariton**, American Association of University Women (AAUW); **Tess Wallace**, representing herself; **Paige McMahon**, representing herself; **Erin Archambeault**, Ada Community Library, representing herself; **Dr. Stephanie Long**, Planned Parenthood; **Misti Tolman**, Idaho State Director, Planned Parenthood; **Justice Chochran**, Planned Parenthood; and **Reverend Karen Hernandez**, United Methodist Church.

The following testified in opposition to the bill, expressing the bill was ambiguous and violated the right to life beliefs: **Pro-Life**, representing himself; **Lindsay Zea**, representing herself; **Blaine Konzatti**, Family Policy Alliance of Idaho; and **Christian Welp**, Catholic Church of Idaho.

DISCUSSION: **Senator Souza** and **Senator Buckner-Webb** discussed the wording in the bill. **Senator Souza** expressed a concern about abortifacients being included in the definition of supplies and spoke in opposition to that wording. **Dr. Stephanie Long**, Planned Parenthood, remarked the definition of supplies does not include abortifacients. **Senator Souza** and **Dr. Long** discussed Plan B in the bill, which will not affect a pregnancy that has already begun and does not cause an abortion. They also discussed intrauterine devices (IUD's) as another form of birth control.

Senator Burgoyne remarked this bill is about providing a six-month supply of birth control pills and supplies. **Senator Martin** asked for clarification from the doctor if this bill included Ella and Plan B. **Senator Buckner-Webb** remarked the bill includes contraceptive supplies and drugs only. Birth control pills are good for a woman, helping with family planning and many other issues.

MOTION: **Senator Ward-Engelking** moved to send **S 1275** to the floor with a **do pass** recommendation. **Senator Burgoyne** seconded the motion.

DISCUSSION: **Senator Lakey** stated he was in opposition to this bill as private carriers are now allowing six-month refills and this is a decision for the private sector. He remarked it was not his role as a legislator to impose this type of legislation.

Senator Martin stated this bill is important for convenience and overall health of women. **Senator Souza** stated she was not in support of this bill due to the wording, which was different than what she had previously discussed with Senator Buckner-Webb. **Senator Burgoyne** stated he was in support of this bill, which is about insurance benefits. **Senator Ward-Engelking** remarked it is critical that young women have health care when they leave the area to go to school or for other reasons. **Senator Guthrie** said he was in support of the bill since the bill was about preventing and not terminating a pregnancy.

ROLL CALL VOTE: **Chairman Patrick** called for a roll call vote on the motion to send **S 1275** to the floor with a **do pass** recommendation. **Senators Martin, Guthrie, Ward-Engelking, Burgoyne**, and **Chairman Patrick** voted aye. **Senators Lakey, Thayne, and Souza** voted nay. The motion carried.

The remaining agenda items will be addressed at the next Committee meeting.

ADJOURNED: There being no further business at this time, **Chairman Patrick** adjourned the meeting at 3:03 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary