

MINUTES  
**SENATE COMMERCE & HUMAN RESOURCES COMMITTEE**

**DATE:** Thursday, February 20, 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 1:32 p.m.

**Chairman Patrick** remarked the Minutes of February 13, 2020 would be heard later in the meeting.

**GUBERNATORIAL APPOINTMENT VOTE:** **Senator Burgoyne** moved to send the Gubernatorial appointment of **Patti Perkins**, as Director of the Idaho Department of Finance, to the floor with the recommendation that she be confirmed by the Senate. **Vice Chairman Agenbroad** seconded the motion. The motion carried by **voice vote**.

**GUBERNATORIAL APPOINTMENT:** **Committee Consideration of the Gubernatorial Appointment of Darin A. DeAngeli, Public Employee Retirement System of Idaho (PERSI)**, of Boise, Idaho, term commencing May 8, 2019 and expiring July 1, 2021. **Mr. DeAngeli** gave a brief overview of his background. He noted he discovered why PERSI is consistently rated as one of the best retirement systems in the country. He commented incumbent trustees are people who are at the top of their respective professions and each one possesses some piece of critical subject matter expertise which helps guide decision-making at the PERSI Board level. He said he has been impressed by the depth of knowledge and willingness of the PERSI staff to explain things. **Mr. DeAngeli** remarked this position has been interesting, difficult, fun, and important work.

**DISCUSSION:** In response to a question posed by Senator Souza, **Mr. DeAngeli** indicated he was inspired to apply for a position on the PERSI Board as he likes to do something he already knows about. Because he is a trust lawyer, PERSI is similar, however, he realized he had a lot to learn, but felt he could add value to the PERSI Board.

**MOTION:** **Senator Burgoyne** moved to send the Gubernatorial appointment of **Darin A. DeAngeli** to the Public Employee Retirement System of Idaho to the floor with the recommendation that he be confirmed by the Senate. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

**MINUTES APPROVAL:** **Senator Thayn** moved to approve the Minutes of February 13, 2020. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

**GUBERNATORIAL REAPPOINTMENT:**

**Committee Consideration of the Gubernatorial Reappointment of Joy Fisher, Public Employee Retirement System of Idaho (PERSI),** of Moscow, Idaho, term commencing July 1, 2019 and expiring July 1, 2024. **Ms. Fisher** gave a brief overview of her background. She mentioned she serves as the Executive Director of the University of Idaho Foundation. **Ms. Fisher** noted it has been very rewarding to share experiences and continue to learn from the PERSI staff, investment managers, and fellow trustees. As one of the representatives for public employees, she explained how important the PERSI system is, not only for recruiting and retaining the best employees, but also for ensuring that teachers, police, fire fighters, and other public servants will have a safe and secure retirement.

**DISCUSSION:**

In response to a question from Vice Chairman Agenbroad, **Ms. Fisher** remarked when she discussed this position with former Governor Otter, she thought being on the PERSI Board would be an interesting job. She has had fun working with the PERSI Board and wants to continue.

**MOTION:**

**Senator Thayne** moved to send the Gubernatorial reappointment of **Joy Fisher** to the Public Employee Retirement System of Idaho to the floor with the recommendation that she be confirmed by the Senate. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

**S 1299**

**Relating to Manufactured Housing.** **Patrick Grace**, Regional Manager, Idaho Division of Building Safety (IDBS), testified in place of Ron Whitney, Deputy Administrator, and gave a brief overview of this legislation. He noted this bill seeks to eliminate certain license types and remove barriers to licensing. This 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. He noted this legislation eliminates the salesman and responsible managing employee (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. **Mr. Grace** remarked the Factory Built Structures Advisory Board and the 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** stated this legislation eliminates the background check. He noted the IDBS has not found the background check to be effective since the background check is required only upon initial (not renewal) application. It does not protect against future criminal violations of licensees.

**Mr. Grace** reported 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.

**DISCUSSION:** **Vice Chairman Agenbroad** and **Mr. Grace** discussed the absorption of old licenses into the new license.

**Mr. Grace** clarified the elimination of retail licensure and the requirements for a retailer license for Senator Lakey.

**Senator Burgoyne** and **Mr. Grace** discussed the elimination of the background check requirement.

**TESTIMONY:** **Jack Lyman**, Idaho Manufactured Housing Association, testified in support of the bill. He outlined the Housing and Urban Development (HUD) requirements for states in order to qualify as a State Administrative Agency. The state must adopt manufactured home installation standards, license installers in the State, and require continuing education of those licensed installers. He noted the State must also adopt a dispute resolution program to resolve disputes between manufacturers, retailers, and installers of manufactured homes.

**MOTION:** **Senator Lakey** moved to send **S 1299** to the floor with a **do pass** recommendation. **Vice Chairman Agenbroad** seconded the motion. The motion carried by **voice vote**.

**H 477** **Relating to Real Estate Licensure.** **Michelle Bird**, Executive Director, Idaho Real Estate Commission (IREC), gave a brief overview of this bill. She noted this legislation pertains to timely submission of documents by agents to the designated broker and clarifies existing requirements. **Ms. Bird** remarked the IREC was seeking clarification to the law by requiring sales associates to deliver all contracts, including representation agreements, compensation agreements, and transaction documents to the designated broker by the end of the next business day of receipt. This bridges the gap and gives the IREC the authority to appropriately enforce a violation for the agent who did not submit the documents, rather than the broker for not having them.

**Ms. Bird** stated it is the responsibility of the IREC to protect the public in regulated real estate transactions. This change would add protection to those real estate consumers by increasing broker supervision of licensees' activities, reducing liability for brokers due to the acts of licensees, and providing clarification to agents on when documents must be delivered.

**DISCUSSION:** **Senators Lakey, Martin, Burgoyne, Guthrie, and Chairman Patrick** discussed sanctions, the possibility of a broker handling discipline of an agent when the documents are not delivered in a timely way, the problems associated with an agent holding the paperwork for a transaction, harm to buyers and sellers caused by an agent not notifying the broker, presented but unaccepted offers, and instructions from the seller to hold all offers for several days until they can make a decision. **Ms. Bird** noted all transactions are now transmitted electronically.

**MOTION:** **Senator Martin** moved to send **H 477** to the floor with a **do pass** recommendation. **Senator Burgoyne** seconded the motion.

**Senator Martin** disclosed for the record that he had a possible conflict of interest pursuant to Senate Rule 39(H), but intended to vote.

**DISCUSSION:** **Senator Lakey** indicated he was not quite comfortable with the language in this bill. **Ms. Bird** remarked the bill closes the gap and places the responsibility on the agent.

**VOICE VOTE:** The motion to send **H 477** to the floor with a **do pass** recommendation carried by **voice vote** with **Senator Lakey** requesting that he be recorded as voting nay.

**H 478** **Relating to Real Estate License Law.** **Michelle Bird**, Executive Director, Idaho Real Estate Commission, gave a brief overview of this bill. She outlined the areas of the bill that reduced barriers, unnecessary restrictions, and burdens to licensure. She noted that: 1.) language was clarified; 2.) course hour requirements were reduced to accredited courses; 3.) requirements were removed for the designated broker to clearly mark the date of any rejected offer, but to retain the documents; and 4.) the requirement was removed for brokerages to have a written agency policy. Lastly, a citation of rule would be removed and allowed to expire.

**MOTION:** **Senator Martin** moved to send **H 478** to the floor with a **do pass** recommendation. **Senator Souza** seconded the motion. The motion carried by **voice vote**.

**ADJOURNED:** There being no further business at this time, **Chairman Patrick** adjourned the meeting at 2:30 p.m.

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Senator Patrick  
Chair

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Linda Kambeitz  
Secretary