

MINUTES
HOUSE BUSINESS COMMITTEE

DATE: Thursday, February 17, 2022

TIME: 1:30 P.M.

PLACE: Room EW41

MEMBERS: Chairman Dixon, Vice Chairman Furniss, Representatives Crane, Palmer, Barbieri, Armstrong (Armstrong), DeMordaunt, Clow, Andrus, Nichols, Adams, Bundy, Ferch, Galloway, Mitchell, Shepherd, Berch, Green (Lesmeister)

**ABSENT/
EXCUSED:** Rep. Crane

GUESTS: The sign-in sheet will be retained in the committee secretary's office; following the end of session the sign-in sheet will be filed with the minutes in the Legislative Library.

Chairman Dixon called the meeting to order at 1:30 p.m.

MOTION: **Rep. Berch** made a motion to approve the meeting minutes from February 11, 2022. **Motion carried by voice vote.**

H 612: **Rep. DeMordaunt** introduced **H 612**. Consistent with the Occupational Licensing Reform Act, this legislation allows an Idaho licensing authority to consider and grant a request for the expungement of disciplinary action previously imposed on a person's occupational license. The bill requires a licensing authority, upon request, to expunge any prior disciplinary action based on failure to timely renew a license or failure to complete required continuing education. The bill removes all requirements for a licensee to report expunged disciplinary action on future licensing or renewal applications in Idaho. The bill does not apply to civil or criminal convictions.

After three (3) years, the board is required to grant expungement, if requested, for failure to renew a license or complete continuing education credits (CEU's) in a timely manner. After seven (7) years, an individual with a disciplinary action on their record may ask for board consideration of an expungement. The expungement is at the discretion of the board. She stated this is model legislation and one other state has a similar law.

Tim Frost, Deputy Administrator, Department of Occupational and Professional Licenses (DOPL), spoke **in support** of **H 612**. He said this bill provides opportunities for individuals whose records have been marred by minor infractions to have a clean record. This bill only effects occupational licensing.

In response to questions, **Mr. Frost** indicated the board does not deal with civil or criminal matters. A licensee's record is sealed after an expungement is granted. He stated the expungement serves as the record and is provided to the national database. Mr. Frost said there is opportunity for a licensee to make an appeal after a disciplinary action is issued. If an expungement request is denied, there is not an opportunity for appeal.

Rep. Ferch declared **Rule 80**.

MOTION: **Rep. Barbieri** made a motion to send **H 612** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. DeMordaunt** will sponsor the bill on the floor.

H 580: **Rep. Blanksma** introduced **H 580**. This bill creates an exception to allow commercial easements in gross (easements that benefit a particular person rather than a parcel of land) to be inheritable, bringing Idaho law into conformity with neighboring states.

Rep. Blanksma said this legislation addresses property easements around Cascade Lake. The area involved includes approximately 1800 acres of land. There are currently no commercial easement definitions in Idaho Code.

Heath Clark, an attorney representing himself, spoke **in support of H 580**. He wants Idaho law to be consistent with surrounding states. Making easements in gross transferable typically respects the intent of the original signor. Most easements in gross do not terminate when the property is sold. If the easement has been recorded, it runs with the ground and does not modify the terms of the agreement. An easement in gross clarifies the intent of allowing access to another's land and lives, in perpetuity. Currently, the Bureau of Reclamation does not view easements in gross as transferable.

MOTION: **Rep. Ferch** made a motion to send **H 580** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Blanksma** will sponsor the bill on the floor.

H 556: **Rep. Furniss** introduced **H 556**. This legislation clarifies the application of denial or suspension actions specific to certain registrants. Additionally, the legislation makes non-substantive technical corrections to various sections of the statute. Further, the legislation amends provisions that limit the ability of investors to obtain relief in a private right of action.

Rep. Furniss said **H 556** Relates to the Uniform Securities Act. It enhances consumer rights to seek relief through a private action. He stated the term, "Federally covered securities", was added where it was inadvertently left out of the last bill. It also adds a year to the limitation of two years a consumer can take action based on activities related to investment fraud.

MOTION: **Rep. Barbieri** made a motion to send **H 556** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Furniss** will sponsor the bill on the floor.

H 557: **Rep. Furniss** introduced **H 557**. This bill creates efficiencies in licensing processes for regulated lenders and payday lenders by requiring the use of an electronic system of licensing. Additionally, the legislation reduces unnecessary licensing requirements applicable to regulated lenders and payday lenders.

Rep. Furniss stated approximately 70% of licences are currently processed electronically, saving time for the agency. **Rep. Furniss** stated licensing decisions are made by the Idaho Department of Finance, not the electronic processing system.

In response to committee questions, **Rep. Furniss** clarified this bill relates to commercial lenders. A financial statement is submitted and a loan determination is made. He state this bill deletes the need for the applicant to reimburse if there is a lawsuit or a conflict.

Anthony Polidori, Deputy Dir., Department of Finance, spoke **in support of H 557**. Mr. Polidori requested permission to reference past legislation. He said **H 400** was presented to the committee in 2019 and was withdrawn to be redrafted with recommendations from the committee bill. Mr. Polidori said this bill brings efficiencies. It removes database requirements. He said the liquidity requirement is insignificant and creates more paperwork and a barrier to entry. This bill expands who can be evaluated, including those who help direct operations of a company and eliminates those who own 25% or more of a company.

In response to questions, **Mr. Polidori** said the policy requires liquid assets rather than cash on hand. The electronic system of licensing is owned and controlled by state regulators. Idaho helped create the system and there is no comparable option at the federal level. All information contained in the system belongs to the state using it. There is no usage fee for the state. Applicants pay a fee when they apply for a license and when they renew their license. Administrative cost savings average two (2) FTE's per year. Mr. Polidori said analyzing financial responsibility, character and fitness is not being expanded, rather it is adding persons who can be evaluated. He said there is nothing in the bill that would be harmful to consumers or would produce unintended consequences.

Mike Brassy, Lobbyist, representing Idaho Financial Services Association, spoke in support of **H 557**. It streamlines the process of licensing. The more lending competition that exists, the better it is for the lender. He said removing the barrier to the entry into the field is good for business. The liquidity requirement is not favorably viewed by the industry.

MOTION: **Rep. Clow** made a motion to send **H 557** to the floor with a **DO PASS** recommendation.

During committee discussion, **Rep. Berch** stated he will support the motion but reserves right to change his vote on the floor. **Rep. Nichols** expressed her concern about streamlining data.

VOTE ON MOTION: **Motion carried by voice vote. Rep. Furniss** will sponsor the bill on the floor.

H 609: **Rep. Troy** introduced **H 609**. This legislation amends Idaho Code to clarify the materials lien process must include certain documentation and notification, and the prevailing party will be entitled to recover attorney fees.

Rep. Troy said this legislation passed out of the House and stalled in the Senate, last year. Since that time, she has worked with the Association of General Contractor's and the Idaho Home Builders Association to strengthen this bill. **Rep. Troy** said If a contractor works on a house, they must provide a disclosure statement, a builder must let the homeowner know there is a lien against the house and if the homeowner prevails in any court proceeding and wins, they will be able to recover reasonable attorney fees and costs.

Rep. Mitchell declared **Rule 80**

MOTION: **Rep. Barbieri** made a motion to send **H 609** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Troy** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:45 p.m.

Representative Dixon
Chair

Kelly Staskey
Secretary