

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, February 17, 2022

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Patrick, Vice Chairman Souza, Senators Martin, Lakey, Guthrie, Agenbroad, Riggs, 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.

HONORING OF PAGE: **Chairman Patrick** honored Page Haydon Madison. He asked Mr. Madison to tell the Committee about his experience at the Senate. **Mr. Madison** stated it was an honor to be at the Senate. He talked about his future plans with the hopes of attending college and passing his mortgage broker's test.

DISCUSSION: In response to a question posed by **Senator Lakey** about his experience at the Senate, **Mr. Madison** said making connections and having relationships with his co-workers was important. He noted this was modeled by the Senators. **Senator Lakey** praised Mr. Madison for his statement of making connections in his life which, he said, was a testament to him.

Senator Riggs asked what were the best and worst parts of being a page. **Mr. Madison** stated the best part was his relationship with his peers. He noted it was hard to choose the worst part, except for the lack of creativity of some of the Senator's jokes.

GUBERNATORIAL APPOINTMENT: **Committee Consideration of the Gubernatorial Appointment of Lori Wolff, Administrator, to the Idaho Division of Human Resources (IDHR),** of Meridian, Idaho, term commencing June 7, 2021 and serving at the pleasure of the Governor. **Ms. Wolff** gave a brief overview of her background. She noted she has a passion for people. She has worked with other directors to learn about and appreciate some of the challenges they face. She said she was excited to work with staff in helping to solve problems.

DISCUSSION: In response to questions posed by **Senators Agenbroad** and **Burgoyne**, **Ms. Wolff** indicated her first priority was the LUMA (to shine a light) project. The purpose of the LUMA project was to acquire and implement an Enterprise Resource Planning (ERP) system that all state agencies could utilize for statewide unification in budget planning, financial management, procurement, payroll, and human capital management. **Ms. Wolff** said agencies and operations needed to be supported. She remarked she was uniquely prepared because she was on the operation side with challenges being in personnel. Not making a decision was a detriment that created a liability. **Ms. Wolff** noted if she was not helping managers do their job, she was not doing hers.

Senator Burgoyne and **Ms. Wolff** discussed resolving problems before they went to litigation. She stated litigation could be prevented if there was more

consistency in how personnel policies were applied. Documenting incidents was important.

Chairman Patrick announced the gubernatorial appointment vote would take place at the next meeting.

S 1298

CONSUMER PROTECTION ACT - Adds to existing law to provide certain protections regarding automatic subscription renewals. **Senator Vick** noted this legislation amended the Idaho Consumer Protection Act (ICPA) by adding a new section to provide consumer's protection from unfair or deceptive trade practices with respect to cancellation of subscriptions. Often referred to as "click to cancel," this legislation provided that the consumer must be able to cancel a subscription in the same manner as the consumer used to subscribe. He related a personal incident that prompted him to bring this legislation forward.

Senator Vick indicated there was no fiscal impact to the General Fund. The Attorney General's office was charged with the enforcement of the ICPA, and there was no expectation of a fiscal impact. He noted he wanted to make a correction in Idaho Code § 48-603G(4) of the bill and to send it to the 14th order for possible amendment.

TESTIMONY:

Representative Erhardt, testified in opposition to the bill. She expressed that a gym membership was listed as one of the entities in the bill and she would like that wording removed. She explained the machinations of running a gym. She stated, in many cases, membership was in the form of a contract and not a subscription. She asked the bill be sent to the 14th Order for possible amendment.

DISCUSSION:

Vice Chair Souza asked for clarification on how difficult it would be to cancel a gym membership. **Representative Erhardt** said gyms have a cancellation policy. Documentation was required when trying to notify people when they quit paying. She remarked the wording in this bill would restrict the ability to run a gym. She asked for more time to modify this part of the bill with Senator Vick.

Senator Vick explained the background on gym memberships and the complaints received about cancellations. He noted he did not want to make life difficult for businesses. He again asked the Committee to send the bill to the 14th Order for possible amendment.

Senator Riggs stated his concern about cancellation of subscriptions that were out-of-state, such as the Wall Street Journal, and how this bill would apply. **Senator Vick** explained that would be something the ICPA could pursue.

MOTION:

Vice Chair Souza moved to send **S 1298** to the 14th Order of business for possible amendment. **Senator Ward-Engelking** seconded the motion.

DISCUSSION:

Senator Burgoyne asked about the proposed amendment. **Senator Vick** explained the change on page 2 would make it clear that the notification only applied to online subscriptions. **Senator Burgoyne** commented he was in support of this legislation.

VOICE VOTE:

The motion to send **S 1298** to the 14th Order of business for possible amendment carried by **voice vote**.

S 1296 **OCCUPATIONAL LICENSING - Amends existing law to replace references to the Bureau of Occupational Licenses (IBOL) with the Division of Occupational and Professional Licenses (IDOPL).** **Tim Frost**, Deputy Administrator, IDOPL, reported the proposed legislation would continue the reorganization of the IDOPL. The proposal aligned the reference terms of the former IBOL into the IDOPL. In addition, the proposal aligned the reference terms of the bureau chief of the IBOL to be the administrator of the IDOPL.

Mr. Frost pointed out there was no impact to the General Fund or to the IDOPL dedicated fund. This proposal aligned Idaho Code references for the interpretation purposes of the IDOPL administrator.

MOTION: **Senator Riggs** moved to send **S 1296** to the floor with a **do pass** recommendation. **Vice Chair Souza** seconded the motion. The motion carried by **voice vote**.

S 1297 **OCCUPATIONAL LICENSES - Adds to existing law to provide for the confidentiality of investigation records.** **Tim Frost**, reported this bill allowed for the IDOPL boards or commissions and division staff to share investigatory information regarding licensees with other boards and commissions to create efficiency within division investigations. The bill ensured all complaints, investigations, and informal proceeding records were exempt from disclosure under the Public Records Act (PRA).

Mr. Frost indicated there was no impact to the State's General Fund, any dedicated fund, or federal funds. The amount of licensing investigations or the associated costs would not be increased. There was no impact to the IDOPL dedicated fund. He stated the bill simplified the administrative burden of duplicative investigative work and could lead to faster investigations and processing of licensing complaints.

DISCUSSION: A discussion ensued between **Senator Burgoyne** and **Mr. Frost** about licensees requesting records, whether there was a right of discovery, and that this bill did not change the current interpretation of the PRA.

Senator Guthrie noted if a defendant appeared before the IDOPL Board, they should have all of the information about the complaint. **Mr. Frost** stated the intent of the bill was not to change how current statute was interpreted.

Vice Chair Souza remarked this was an opportunity to add some language that all information be available to the licensee.

Senator Burgoyne stated he would get an opinion from the Attorney General.

MOTION: **Senator Riggs** moved to hold **S 1297** at the Call of the Chair. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.

S 1295 **CREDIT UNIONS - Amends, repeals, and adds to existing law to revise provisions regarding the corporate powers and organization of credit unions.** **Ryan Fitzgerald**, NW Credit Union, stated the bill would update and modernize provisions within the Idaho Credit Union Act (ICUA) and provided flexibility and modern provisions to allow Idaho state-chartered credit unions to better serve their members. He outlined the proposed updates to the ICUA. Some of those updates included: providing additional flexibility to establish new branches and use of technology facilities; provide credit unions a legal understanding and framework of potential regulatory findings during an examination; allow credit unions to hold virtual or remote board and annual meetings; update member expulsion; provide updates to the credit union corporate powers statute that allowed flexibility in the financial service product

offerings for credit union members; reduce outdated language; and streamline the process by which credit union bylaws were adopted and approved.

Mr. Fitzgerald stated there was no fiscal impact to the General Fund. The provisions of the legislation related to the operations of state-chartered credit unions and no additional resources were required by the Idaho Department of Finance (IDOF).

Mr. Fitzgerald indicated remote or virtual technologies were used to successfully highlight the ability to provide effective interaction and participation with members. Additionally, he pointed out, the language in the bill ensured assistance from the credit union, or a live option, for those who wished to participate in these meetings, but did not have the proper technology or means to do so.

Mr. Fitzgerald stated the branching capabilities were updated in order to make it more streamlined and simpler to establish a new credit union branch. Currently, all credit unions have to request permission from the Director of the IDOF as well as provide significant documentation if the business wanted to build or open an additional facility to serve their members. He noted by making this change, well-run, capitalized credit unions would be allowed to establish a new branch and provide notification to the IDOF.

DISCUSSION:

In response to questions from the Committee relating to changes, **Mr. Fitzgerald** indicated there were few changes with the exception of electronic services, operating tax preparation, and providing services in an underserved area for those who were not members.

Senator Agenbroad and **Mr. Fitzgerald** discussed the compromises reached between the credit unions and the banks.

In response to a question posed by **Vice Chair Souza** relating to a CAMELS (based on an evaluation of five critical elements of a credit union's operation) rating system, **Mr. Fitzgerald** explained it was a confidential score assigned to a credit union or bank after an inspection. This score showed if the bank or credit union was well-functioning and operating properly. **Vice Chair Souza** asked for an explanation if there were some sort of Environmental, Social, and Governance (ESG) scores being formulated for customers. **Mr. Fitzgerald** explained there were specific laws that the credit unions and banks could not discriminate against customers and that ESG was not something that was being done. All customers and credit unions had to address were credit scores.

TESTIMONY:

Jon Watts, Idaho Central Credit Union, testified in support of the bill. He pointed out there was a letter of support available for the Committee to read.

Nicholas Fugal, Chief Financial Officer, Clarity Credit Union, testified in support of the bill. He noted he was also the Co-Chair of the Northwest Credit Union Association (NWCUA)'s Idaho Government Affairs Committee (IGAFC). He noted the IGAFC had provided guidance and approval of the collective efforts to improve and modernize the ICUA so Idaho credit unions could remain relevant to continue to provide the best financial services for members. He pointed out that credit unions were not-for-profit cooperatives focused on serving the people and communities.

Mr. Fugal stated several groups worked diligently with the IDOF to outline charter updates that provided a pathway to better serve Idaho Credit Union members. He outlined some of the changes in the bill.

Richard Sherrick, IDOF, testified in support of the bill. He stated there were no objections to this bill.

MOTION: **Senator Guthrie** moved to send **S 1295** to the floor with a **do pass** recommendation. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

ADJOURNED: There being no further business at this time, **Chairman Patrick** adjourned the meeting at 3:00 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary