

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Tuesday, March 21, 2023

TIME: 1:00 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Cook, Vice Chairman Lenney, Senators Lakey, Guthrie, Ricks, Foreman, Hartgen, Ward-Engelking, and Ruchti

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 Cook** called the meeting of the Senate Commerce and Human Resources Committee (Committee) to order at 1:01 p.m.

PRESENTATION: **Honoring of Page Halli Williams.** **Chairman Cook** asked Ms. Williams what she learned while being a Senate Page. **Ms. Williams** stated she learned all about the legislative process. She said she loved being a Page. She learned that Senators also had fun. She stated what she learned the most was observing the Legislators and all of the work, time, and effort they put into making sure Idaho had safe and great rules. She thanked the Committee.

DISCUSSION: **Senator Ricks** asked Ms. Williams what were some of her plans. **Ms. Williams** stated she was interested in government and was going on a mission for her church. Upon her return, she was going to enroll in college to study political science and history. In response to a statement from Senator Lakey, **Ms. Williams** said she encouraged her friends to apply to be Pages.

MINUTES APPROVAL: **Minutes of March 14, 2023.** **Senator Ricks** moved to approve the Minutes of March 14, 2023. **Senator Ruchti** seconded the motion. The motion carried by **voice vote**.

MINUTES APPROVAL: **Minutes of March 16, 2023.** **Senator Foreman** moved to approve the Minutes of March 16, 2023. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

HCR 8 **RULE APPROVAL - HOUSE BUSINESS AND SENATE COMMERCE AND HUMAN RESOURCES COMMITTEES - States findings of the Legislature and approves fee and non-fee rules of the Department of Insurance reviewed by the House Business Committee and the Senate Commerce and Human Resources Committee.** **Representative Ehlers** noted this House Concurrent Resolution was to adopt all fee and non-fee rules from the Idaho Department of Insurance during the 2023 Legislative Session. He stated there was no additional expenditure of funds at the State or local level of government, nor did it cause an increase or decrease in revenue for State or local government.

MOTION: **Senator Hartgen** moved to send **HCR 8** to the floor with a **do pass** recommendation. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

HCR 13 **RULE APPROVAL - HOUSE BUSINESS AND SENATE COMMERCE AND HUMAN RESOURCES COMMITTEES - States findings of the Legislature and approves fee rules of the Division of Occupational and Professional Licenses reviewed by the House Business Committee and the Senate Commerce and Human Resources Committee with exceptions.** **Tim Frost**, Deputy Director, Idaho Division of Occupational and Professional Licenses (IDOPL), stated this House Concurrent Resolution was to adopt the fee and non-fee rules (excluding Department of Insurance rules from a previous resolution) before the House Business Committee during the 2023 Legislative Session. This legislation caused no additional expenditure of funds at the State or local level of government, nor did it cause an increase or decrease in revenue for State or local government. The legislation had no fiscal impact.

MOTION: **Senator Lakey** moved to send **HCR 13** to the floor with a **do pass** recommendation. **Senator Ricks** seconded the motion. The motion carried by **voice vote**.

HCR 15 **RULE APPROVAL - HOUSE HEALTH AND WELFARE AND SENATE COMMERCE AND HUMAN RESOURCES COMMITTEES - States findings of the Legislature and approves fee rules of the Division of Occupational and Professional Licenses reviewed by the House Health and Welfare Committee and the Senate Commerce and Human Resources Committee.** **Tim Frost**, Deputy Director, IDOPL, stated this Concurrent Resolution to approve IDOPL was reviewed by both the House Health and Welfare Committee and the Senate Commerce and Human Resources Committee. He noted since this legislation pertained only to the review of rules, there was no agency or State fund impact.

MOTION: **Senator Ward-Engelking** moved to send **HCR 15** to the floor with a **do pass** recommendation. **Senator Ruchti** seconded the motion. The motion carried by **voice vote**.

H 203 **Chairman Cook** stated this bill would be heard at a later time on the agenda.

H 337 **ELECTRICAL CONTRACTORS AND JOURNEYMEN - Amends, repeals, and adds to existing law to provide for certain electrical codes, to revise provisions regarding electricians and apprentices, and to establish residential electrician licensure.** **Representative Dixon (1)** reported both the House and Senate Committees had worked on this compromise. He explained this legislation addressed a number of different portions of Idaho electrical statutes. It created the Idaho Electrical Code and adopted the 2023 version of the National Electric Code, with any previously accepted exclusions. It created a residential electrician license classification; defined what a residential electrical setting was; expanded the scope of work for a journeyman electrician; expanded who an electrical contractor could employ; limited the number of years a person could be an apprentice electrician; amended the electrical apprenticeship ratio; removed the continuing education requirement from apprentice electricians; increased the penalty for a violation of these statutes; and affirmed the State of Idaho had the sole authority to establish apprenticeship ratios.

DISCUSSION: **Senator Lakey** remarked he thought it was a good idea to put the electrical rules into statute. He asked what was the thought process when the apprentice status was capped at 10 years. **Representative Dixon (1)** stated this idea was brought forth by other parties.

TESTIMONY: **Jason Hudson**, American Federation of Labor-Congress of Industrial Organizations (AFL-CIO) testified in support of the bill. He stated all parties were able to arrive at a compromise.

MOTION: **Senator Lakey** moved to send **H 337** to the floor with a **do pass** recommendation. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.

H 203 **HEALTH INSURANCE - Amends existing law to revise provisions regarding the public school health insurance participation fund.** **Representative Furniss** stated this proposal amended the dedicated fund for the purpose of funding the one-time amount required for public schools to buy into the State's medical and dental group insurance plan to be what was required as insurance rates changed. It extended the time limit allowed before the sunset of 2025. He noted the amendment of the fund itself had no fiscal impact to the State. The Legislature could, at its discretion, set aside an amount as part of the appropriations process to fund this account. No appropriation was expressly authorized in this bill.

Representative Furniss pointed out the changes in the bill and noted 26 school districts were added to the plan.

MOTION: **Senator Ward-Engelking** moved to send **H 203** to the floor with a **do pass** recommendation. **Senator Hartgen** seconded the motion.

TESTIMONY: **Fred Birnbaum**, Idaho Freedom Foundation, testified in opposition to the bill. He stated all school districts should be put in the same pool. He said by allowing school districts to opt in, the State plan could be selected. He noted that if every district was required to be involved this promoted an adverse selection and not a good idea.

DISCUSSION: **Representative Furniss** stated, in addressing the adverse selection comment, the group was so large that the adverse selection was not affected. The schools were joining because teachers wanted the State employee plans. The pool rating was not affected.

Senator Guthrie noted that 11,000 people were enrolled and he did not see an adverse selection because the enrollment provided an economy of scale and spread out the risk.

Senator Lakey remarked he supported the motion, but wanted more time to look at the adverse selection part and reserved the right to change his vote on the floor.

VOICE VOTE: The motion to send **H 203** to the floor with a **do pass** recommendation carried by **voice vote**. **Senators Foreman** and **Vice Chair Lenney** asked to be recorded as voting nay.

H 238 **UNFAIR SERVICE AGREEMENTS ACT - Adds to existing law to establish the Unfair Service Agreements Act.** **Senator Ruchti** stated the goal of this legislation was to protect homeowners and to provide a remedy for existing Unfair Service agreements, while discouraging future unfair and deceptive trade practices in real estate transactions. He said there was no impact to the General Fund, nor any local government entities because this legislation dealt with unfair service agreements within the real estate industry. He noted some real estate brokerage firms were offering cash to a homeowner if they signed a listing agreement that could last from 1 to 40 years. This put a cloud on the title of the property. Some states were filing lawsuits against companies who were practicing predatory business. He said in this bill the recording of a lien was prohibited and unenforceable.

A letter of support was received from Max Pond, Idaho Realtors.

DISCUSSION: **Vice Chair Lenney** queried if anyone spoke with the Attorney General's office about this bill. **Senator Ruchti** stated he had not. **Vice chair Lenney** asked if he had an agreement with a gardener or a pest control company, would this bill require him to sign a contract every year. **Senator Ruchti** stated this example did not fall within an unfair service agreement contract and not binding on the land or future owners.

MOTION: **Senator Guthrie** moved to send **H 238** to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**. **Vice Chair Lenney** and **Senator Foreman** asked to be recorded as voting nay.

S 1067 **INSURANCE - Amends existing law to provide certain limitations on coverage. No further testimony will be taken.** **Senator Ruchti** stated this item was informational only. He summarized the contents of the bill. He cited that it was an issue when insurance companies could sell offset policies and this bill would make those companies sell excess coverage. The rates would not increase more than \$2 to \$3 a month for this coverage. He met with the insurance companies and they stated they were not ready. He said local businesses had received a flyer that said rates were going to skyrocket if this bill was approved. He said he had always tried to be honest and forthright when giving out accurate information. However, he was not prepared to address how the passage of this bill would affect fleets of vehicles since many of those companies did not cover uninsured motorists. He stated he would bring this bill back next year and wanted to work on a compromise.

MOTION: **Senator Ruchti** moved to hold **S 1067** at the Call of the Chair. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

H 287 **ENERGY CODE - Amends existing law to provide for preemption, retroactive application, and future application.** **Representative Palmer** stated this legislation amended the retroactivity clause of the Idaho Energy Conservation Code provisions contained in Idaho Code § 39-9701 to make it retroactive to the date of implementation. H 660, passed into law in the 2022 legislative session, put the 2018 Energy Conservation Code into statute and prohibited local jurisdictions from adopting energy conservation codes or requirements that differed from or were more extensive than those provided for in Idaho Code § 39-9701. The retroactivity language contained in that chapter resulted in misinterpretation or abuse of the legislative intent of H 660 by some jurisdictions. He noted this legislation intended to clarify that provisions of Idaho Code § 39-9701 were in effect. **Representative Palmer** stated this legislation had no impact on the State General Fund. Idaho homebuyers realized savings as additional, expensive energy conservation provisions beyond those required by statute and would be voluntary and not mandated by local jurisdictions.

A letter of support was received from Dan Richter, Idaho Home Builders Association. Letters of opposition were received from The Board of Blaine County Commissioners, Hailey, Idaho and the City of Hailey, Mayor Martha Burke.

TESTIMONY: **Jonathan Oppenheimer**, External Relations Director, Idaho Conservation League, testified in opposition to the bill. He said the bill removed the legacy or grandfather clause that preempted local adoption of building codes while preserving the codes that had already been adopted in a handful of cities and counties in Idaho. He noted that in addition to the removal of the non-retroactivity clause required some of those communities and municipalities to change codes back to the 2018 version that was currently in statute. He said this bill went far beyond that. He said it prevented any energy related ordinance, process or regulation. He explained this legislation eliminated the ability to implement incentive programs to adopt energy saving practices in city-owned buildings as well as other incentive programs that benefitted consumers. **Mr. Oppenheimer** stated consumers relied on building codes because once a home was built, it was difficult to replace windows, insulation, heating ducts, or walls. Since 2018 there have been consistent efforts to try to block or impede adoption of more modern codes. Idaho's homes consumed 21 percent of Idaho's energy by improved efficiency.

DISCUSSION: **Senator Guthrie** stated the bill prohibited the adoption of requirements or any code ordinance process policy or guidance that differed from or was more extensive than which established a baseline. All the bill was trying to do was to protect against something more aggressive than the baseline. **Mr. Oppenheimer** remarked anything that was not included in the building code that related to energy appeared to be precluded in this legislation. He queried what were the implications. This bill was unnecessary and something that pulled the rug out from under the carefully crafted and negotiated deal from 2018.

TESTIMONY: **Ryan McGoldrick**, Conservation Voters for Idaho, testified in opposition to the bill. He stated he did not like the grandfather clause because it would cause unintended consequences. He said this bill impacted any energy-related codes. He was concerned about what this bill would do for utilities. The word guidance was problematic. He asked that the bill be held in Committee.

DISCUSSION: **Senator Ward-Engelking** remarked the language was vague.

MOTION: **Senator Ward-Engelking** moved to hold **H 287** in Committee. **Senator Ruchti** seconded the motion.

SUBSTITUTE MOTION: **Senator Lakey** moved to send **H 287** to the floor with a **do pass** recommendation. **Senator Guthrie** seconded the motion. **Senator Lakey** stated he had a concern with the energy code and the government should be concerned about safety and not policy.

VOICE VOTE: The substitute motion to send **H 287** to the floor with a **do pass** recommendation, carried by **voice vote**. **Senators Ward-Engelking** and **Ruchti** asked to be recorded as voting nay.

DISCUSSION: **Chairman Cook** stated there was no more time to hear **H 157** and **H 166**. He advised all to watch their email for another meeting.

ADJOURNED: There being no further business at this time, **Chairman Cook** adjourned the meeting at 2:03 p.m.

Senator Cook
Chair

Linda Kambeitz
Secretary