

MINUTES  
**SENATE COMMERCE & HUMAN RESOURCES COMMITTEE**

**DATE:** Tuesday, February 20, 2024

**TIME:** 1:30 P.M.

**PLACE:** Room WW54

**MEMBERS PRESENT:** Chairman Cook, Senators Lakey, Guthrie, Foreman, Hartgen, Lenney, Ricks (Ricks), 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 1:30 p.m.

**MINUTES APPROVAL:** **Senator Guthrie** moved to approve the Minutes of February 8, 2024. **Senator Lenney** seconded the motion. The motion carried by **voice vote**.

**S 1283** **PERSI - Amends existing law to revise the definition of an employee.** **Senator Schroeder** stated this legislation amended the definition of "employee" for the purposes of the Public Employee Retirement System of Idaho (PERSI) enrollment to exclude seasonal employees of soil and water conservation districts in positions that did not exceed eight consecutive months in a calendar year if the employer certified in writing that the position was seasonal or casual and was affected by weather. **Senator Schroeder** stated this definition already applied to seasonal golf course, park, or other positions in cities, counties, irrigation, cemetery, and mosquito abatement districts. There was no fiscal impact to the General Fund. **Senator Schroeder** explained this legislation would result in a significant cost savings to soil and water conservation districts.

**TESTIMONY:** **Travis Jones**, Idaho Association of Soil Conservation Districts, testified in support of the bill. He noted this bill gave the State help with monitoring quagga mussels. This bill was important to all districts.

**Sarah Garcia**, Bonner Soil and Water Conservation District (District), testified in support of the bill. She stated this bill was critical for the District and the counties. She explained that during the 2023 inspection season, three northern stations were unable to extend the season when mussels were detected in Idaho. If the District extended the season, that exceeded the 5-month seasonal allowance for a PERSI member. That would have cost approximately \$30,000 in payments to PERSI and seasonal hires would have been required to pay approximately a full two-week pay period contribution. She noted the District strongly supported this bill to include conservation districts as a recognized employer on PERSI form RS1340, Certification of 8-Month Seasonal Employment Status.

**MOTION:** **Senator Lakey** moved to send **S 1283** to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

S 1284

**HOSPITAL AND NURSING CARE LIENS - Amends existing law to provide for notice of a claim or lien by certified mail.** **Senator Just** stated this legislation required those hospitals taking out a lien on property to inform the owner of the property by certified letter before or within 90 days after, that they have done so. The officer or agent of the hospital must file in the office of the recorder of the county in which the hospital was located a verified statement in writing with the name and address of the patient as it appeared on the records of the hospital, the name and location of the hospital, the name and address of the officer or agent filing the lien, the dates of admission to the hospital and discharge of the patient, the amount claimed to be due for hospital care, and, to the best of the claimant's knowledge, the names and addresses of all persons, firms, or corporations claimed by the injured person or the legal representative of the person, to be liable for damages arising from injuries. Additionally, the claimant, within one day after the filing of a claim or lien, mail a copy by certified mail, return receipt requested, to each person, firm, or corporation claimed to be liable for damages, at the address given in the statement.

**DISCUSSION:**

**Chairman Cook** queried if this was a way to get out of paying a bill. **Senator Just** stated a person could refuse a certified letter, but all that had to be proven was due diligence.

**MOTION:**

**Senator Hartgen** moved to send **S 1284** to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**. **Senator Foreman** voted nay.

**Chairman Cook** introduced and welcomed Mrs. Ricks to the Committee. He stated she was substituting for Senator Ricks.

S 1286

**HOMEOWNER'S ASSOCIATIONS - Adds to existing law to prohibit homeowner's associations from taking any action to require grass lawns.** **Senator Just** stated this landscape options bill allowed residents who lived in subdivisions to choose whether to have a grass front lawn or xeriscaping. Encouraging the planting of native and drought-tolerant species would save water as well as the cost of the installation of drip irrigation. This legislation caused no additional expenditure of funds at the State or local level of government. There was no increase or decrease in revenue.

**Senator Just** reported people could keep their lawns. This bill allowed those who wanted to save from 50 to 75 percent on water to do so. He explained xeriscaping used native and drought-resistant plants that needed less water than a Kentucky blue grass lawn. Traditional lawns used a lot of water where much of it evaporated before it ever reached the roots of plants. Drip irrigation emitters put water where it was needed. Xeriscape plants attracted hummingbirds, butterflies, and other pollinators. Other advantages of xeriscaping included elimination of a lawnmower, weed wacker, fertilizer, and herbicides.

**DISCUSSION:**

**Senator Foreman** queried why should the State have a role involving a homeowner's association (HOA). **Senator Just** explained many new home buyers did not read the HOA rules when signing papers in escrow. He noted the HOA rules were usually made by the developer. **Senator Lakey** remarked he agreed with Senator Foreman. He stated it was up to the buyer to look at the Covenants, Conditions and Restrictions (CCR's). **Senator Lakey** asked for clarification on the language in the bill that said that no HOA may add, amend, or enforce a covenant and to nullify the existing CCR's. **Senator Just** stated that was correct.

**TESTIMONY:** **Brindee Collins**, Community Association Institute, testified in opposition to the bill. She stated it was important for each community to set standards. There was a process in place to amend the CCR's. The language in this bill was very broad. She queried what about the homeowner who did not maintain their property. She asked the bill be held in Committee.

**Bill Shultz**, Kingsbridge HOA, testified in opposition to the bill. He stated CCR's provided curb appeal in subdivisions. He stated the bill infringed on HOA rights.

Written testimony in support of this bill was received from **Vickie Fadness**. She noted since she did a xeriscape yard, she reduced the amount of water usage and chemicals. Butterflies and other good insects reappeared in her yard.

**DISCUSSION:** **Senator Just** remarked this idea was raised during a Legislative Water College conference he attended last year. This was a water-saving issue, but also a property rights concern. **Senator Foreman** commented that the State should not be involved in this area.

**MOTION:** **Senator Foreman** moved to hold **S 1286** in Committee subject to the call of the Chair. **Senator Lakey** seconded the motion.

**DISCUSSION:** **Senator Lenney** commented he learned there were some things his HOA did not allow. He noted that when there was no HOA, there was a difference in the way properties were maintained.

**VOICE VOTE:** The motion to hold **S 1286** in Committee subject to the call of the Chair, carried by **voice vote**. **Senators Ruchti** and **Ward-Engelking** voted nay.

**GUBERNATORIAL APPOINTMENT:** **Committee Consideration of the Gubernatorial Appointment of McKenzie Kraemer of McCall, Idaho, to the Idaho Health Insurance Exchange Board, to serve a term commencing January 7, 2024 and expiring April 10, 2027.** **Ms. Kraemer** gave a brief overview of her background. She noted she was a mother, business owner, and worked with the winter carnival in McCall for a few years.

**DISCUSSION:** **Chairman Cook** asked what expertise did Ms. Kraemer bring to the Idaho Health Exchange Board (IEHB). **Ms. Kraemer** replied she was a citizen, a business owner who was interested in purchasing the best possible insurance for her employees, and brought a good perspective.

**Chairman Cook** stated the vote would take place at the next meeting.

**S 1246** **STATE BOARD OF EDUCATION - Amends existing law to revise provisions regarding an optional retirement program.** **Michelle Peugh**, Bureau Chief, Division of Human Resources (DHR), reported this legislation allowed employees hired by the office of the State Board of Education (SBE) on or after July 1, 2024 who had credited service in the Public Retirement System of Idaho (PERSI), to make a one-time irrevocable election to remain a member of that retirement program. Currently, the opportunity was only available to new employees who were fully vested prior to their hire date.

**Ms. Peugh** stated this legislation had no impact on the State's General Fund or any dedicated or federal fund because these individuals already contributed to PERSI. She deferred the remainder of her time to Jenn Thompson, SBE Chief Policy Officer.

**Ms. Thompson** explained this bill assisted with recruitment of employees. She stated the SBE had difficulties recruiting and retaining candidates. If a

candidate had previous PERSI credits, but was not vested, currently they had to opt out of PERSI. This bill allowed a candidate to keep their PERSI credits.

**DISCUSSION:** **Senator Ward-Engelking** queried why the SBE was treated differently. **Ms. Thompson** stated this stemmed from a change that was made for those who were mobile and who could take PERSI with them. This lumped the State agency into that category.

**Senator Ruchti** asked for an explanation of a one-time irrevocable election. **Ms. Thompson** noted that at the time of hire, an employee could elect PERSI or a 401(k) plan.

**MOTION:** **Senator Ward-Engelking** moved to send **S 1246** to the floor with a **do pass** recommendation. **Senator Hartgen** seconded the motion.

**DISCUSSION:** **Senator Guthrie** asked for clarification for those who were employed now and had an opportunity to participate in PERSI. **Ms. Thompson** stated only 4 percent of employees qualified for PERSI. Most of the SBE staff had chosen to accept a 401(k) plan. **Senator Guthrie** queried that if an employee had no previous PERSI time, they were not eligible. **Ms. Thompson** stated that was correct.

**VOICE VOTE:** The motion to send **S 1246** to the floor with a **do pass** recommendation carried by **voice vote**.

**S 1294** **DEPARTMENT OF COMMERCE - Amends and repeals existing law to revise and remove provisions regarding the Idaho Rural Development Partnership (IRDP).** **Tom Kealey**, Director, Idaho Department of Commerce (DOC), explained this bill reauthorized Idaho Code Title 67, Chapter 90, short-titled, "The Idaho Rural Development Partnership Act (IRDPA)," within technical and conforming amendments. These amendments (1) clarified legislative findings to be up-to-date and removed outdated federal language; (2) clarified that the IRDPA would reside within the DOC or within another executive branch agency as designated by the Governor with funding from time-to-time appropriated by the Idaho Legislature; (3) updated the number and type of board members appointed; (4) repealed language that specifically called for the hiring of an executive director; and (5) amended voting privileges for the board of directors. In addition "sunset" language was added in the near term to provide for a future review of the program.

**Mr. Kealey** remarked the fiscal impact on the General Fund was \$120,000 per year. The existing DOC budget may be earmarked to accomplish certain specified rural development objectives. The DOC reclassified an existing full-time person (FTP) for staffing needs.

**Mr. Kealey** reported this legislation improved the IRDP statute and made its activities and coordination more impactful for rural Idaho. He gave a brief background about the current statute. He reported the statute was last modified in 2007. There was no funding from the Federal or State of Idaho sources. The outdated scope of work and purpose were revised.

**DISCUSSION:** **Senator Lenney** queried if this bill passed, what changed. **Mr. Kealey** stated the biggest difference was there was no funding. He noted this program was placed into the DOC to make it more formal and to provide leadership.

**MOTION:** **Senator Guthrie** moved to send **S 1294** to the floor with a **do pass** recommendation. **Senator Ruchti** seconded the motion.

**DISCUSSION:** **Senator Lenney** stated he would vote nay. He noted passage of this bill would unnecessarily expand growing government. He remarked this bill came through with no legislative sponsor. **Chairman Cook** remarked Senator Ricks was the sponsor and he was not present due to illness.

**Senator Hartgen** stated that several rural areas surrounded her district and this program served them well.

**VOICE VOTE:** The motion to send **S 1294** to the floor with a **do pass** recommendation carried by **voice vote**. **Senator Lenney** voted nay.

**S 1295** **BARBERS AND COSMETOLOGISTS - Amends existing law to define terminology and to establish a certain exemption from licensure.** **Senator Den Hartog** explained this legislation amended Idaho Code § 54-5805 to define hairpieces and toupees as natural or synthetic hair that was affixed to a person's scalp via a bonding agent. Additionally, this legislation defined wigs and exempted wig sellers from cosmetology licensure. **Senator Den Hartog** noted 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.

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

**S 1301** **CREDIT UNIONS - Amends and repeals existing law to revise provisions regarding credit unions.** **Senator Lakey** explained this bill was a routine industry bill that provided updates and modernized the Idaho Credit Union Act (ICUA) that provided flexibility and modern provisions to allow Idaho state-chartered credit unions to better serve their members. The proposed updates in the ICUA included: 1) Provided additional definitions to help with clarity during routine credit union examinations with Idaho state-chartered credit unions. 2) Updated general governance provisions in the ICUA that streamlined day-to-day operations for Idaho credit unions. This included the removal of mandated fiscal years, the removal of the requirement to provide documents in triplicate, and the ability to email authority and other requests to the Idaho Department of Finance (DOF). 3) Provided opportunities and flexibility for Idaho credit unions to serve underserved areas throughout Idaho that lacked traditional financial service opportunities. 4) Provided credit unions more access to emerging financial tools and services that would better serve members directly through improved and expanded service offerings, and ensured greater protection and security for consumers.

**Senator Lakey** indicated there was no fiscal impact to the General Fund. The proposals in this legislation specifically related to the operations of state-chartered credit unions and required no additional resources of the DOF.

**DISCUSSION:** **Senator Ruchti** asked why there was an annual requirement that a credit union operating electronic service facilities or an automated teller machine (ATM) had to report how many machines they had. **Senator Lakey** stated that was a requirement from repealed provisions. This bill simplified some requirements, but maintained the requirement that a simple report be provided.

**MOTION:** **Senator Foreman** moved to send **S 1301** to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

**ADJOURNED:** There being no further business at this time, **Chairman Cook** adjourned the meeting at 2:36 p.m.

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Senator Cook  
Chair

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Linda Kambeitz  
Secretary