

MINUTES
SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE: Thursday, January 16, 2025

TIME: 1:30 P.M.

PLACE: Room WW54

MEMBERS PRESENT: Chairman Foreman, Vice Chairman Lenney, Senators Lakey, Guthrie, Nichols, Bernt, Zito, 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 Foreman** called the Senate Commerce and Human Resources Committee (Committee) to order at 1:31 p.m.

PASSED THE GAVEL: Chairman Foreman passed the gavel to Vice Chairman Lenney.

DOCKET NO. 17-0101-2301 **Continuation of Docket 17.0101.305.01.a, Administrative Rules Under the Workers' Compensation Law (ZBR Chapter Rewrite) - Pending Rule. No further testimony will be taken, p. 65. Chairman Foreman** announced another motion had to be made to reject Subsection 305.01.a in its entirety.

MOTION: **Chairman Foreman** moved to reject Subsection 305.01.a the blue lined out verbiage in the last sentence of Subsection 305.01.a. **Senator Lakey** seconded the motion.

DISCUSSION: **Senator Lakey** clarified what the Committee was instructed to do was reject that deletion and have a second motion to reject subsection .a in its entirety. He asked if that was correct.

Chairman Foreman remarked that in the last meeting all of the rules were rejected except the one with the blue line, and in the next conversation, a second motion was to be made to address the blue line.

Senator Bernt asked if there was someone from the Division of Financial Management (DFM) present to clarify the rules motion.

TESTIMONY: **Lauren Smyser**, Regulatory and Legislative Affairs Bureau Chief, DFM, explained that at the meeting of January 14, 2025, Docket 17-0101-2301 was approved with the exception of the amendment to **Docket 17-0101-305.a** and that docket pertained to pending rules. The Committee should reject the final rule and the section where the docket pertained to pending rules.

DISCUSSION: **Senator Lakey** clarified the intent of the Committee was to remove **.305.01.a** in its entirety. He asked if the entire first sentence was what Ms. Smyser was describing. **Ms. Smyser** explained that the Committee had already made a motion to reject the change in the pending rule. The final rule, which included the blue strikeout, was still in effect. What needed to be rejected was that section in its entirety. **Senator Lakey** then queried whether at the last meeting, the Committee deleted the part that was not struck out. **Ms. Smyser** confirmed that the Committee had rejected the change marked with the blue line, and as a result, that part was now included in the final rule. She emphasized that the Committee needed to reject the final rule in its entirety. **Senator Lakey** concluded that the Committee needed to reject subsection .a in its entirety, which also included the last sentence.

Chairman Foreman withdrew his original motion.

MOTION: **Chairman Foreman** moved to reject the final rule **Docket 17.0101.305.01.a**. **Senator Lakey** seconded the motion. The motion carried by **voice vote**.

PASSED THE GAVEL: Vice Chairman passed the gavel back to Chairman Foreman.

MINUTES APPROVAL: **Senator Lakey** moved to approve the Minutes of January 9, 2025. **Senator Nichols** seconded the motion. The motion carried by **voice vote**.

GUBERNATORIAL REAPPOINTMENT VOTE: **Committee Vote on the Gubernatorial Reappointment of Steve Landon to the Idaho State Insurance Fund Board (SIFB)**.

MOTION: **Senator Ruchti** moved to send the Gubernatorial Reappointment of **Steve Landon**, SIFB, to the floor with the recommendation that he be confirmed. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.

RS 31943 **Relating to Liens of Mechanics and Materialmen.** **Senator Lakey** explained that the legislation concerned material and liens, which often arose from disputes over construction project payments. A person who felt unpaid could file a lien against the property. The provision being deleted, subsection 2, allowed for a demand to the court for a trial within 30 days in certain circumstances. He emphasized that this demand placed unnecessary pressure on the court system and all involved parties.

DISCUSSION: **Senator Nichols** inquired about the frequency of this provision's use, asking when it was last applied. **Senator Lakey** confirmed it was rarely used and could not recall a specific example. This legislation aimed to simplify the process by removing the option to fast-track cases, reducing strain on the court system.

MOTION: **Senator Guthrie** moved to send **RS 31943** to print. **Senator Bernt** seconded the motion. The motion carried by **voice vote**.

RS 31944 **Relating to Construction Contracts.** **Senator Lakey** described this proposed legislation was designed to ensure that projects constructed within the state were governed by Idaho laws and procedures, rather than those of other states. The legislation prevented Idaho-based contractors from being compelled to adhere to external standards or requirements that may be irrelevant to their work within Idaho. This bill guaranteed that Idaho companies retained the right to seek legal relief under Idaho law if needed. The legislation had no financial implications for state or local government, with no additional expenditures or changes in revenue anticipated.

Senator Lakey remarked this proposal seemed focused on reinforcing state

sovereignty over local projects and supporting Idaho businesses in avoiding external regulatory burdens.

MOTION: **Senator Bernt** moved to send **RS 31944** to print. **Senator Zito** seconded the motion. The motion carried by **voice vote**.

PASSED THE GAVEL: Chairman Foreman passed the gavel to Vice Chairman Lenney.

DOCKET 18-0302-2401 **Life Settlements (ZBR Chapter Rewrite) - Pending Rule, p. 84.** **Dean Cameron**, Director, Idaho Department of Insurance (IDOI), gave a brief overview of the rules review process for the IDOI. He introduced Eric Fletcher, Bureau Chief, Company Activities, IDOI. **Mr. Fletcher** noted the purpose of this rule set requirements for the sale and settlement of life insurance contracts where the owner was an Idaho resident.

MOTION: **Senator Ruchti** moved to approve **Docket No. 18-0302-2401**. **Chairman Foreman** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 18-0501-2401 **Rules for Title Insurance Regulation (ZBR Chapter Rewrite) - Pending Rule, p. 91.** **Shannon Hall**, Market Oversight Bureau Chief, Idaho Department of Insurance (IDOI), noted the purpose of the rule was to define certain fair-trade practice standards for title insurance, to define and clarify Idaho Code § 41-202 that provided procedural rules for title insurers, agents, and escrow officers in order to protect consumers and preserve the financial stability of title insurers and agents. There were no changes to the pending rule, and it was adopted as originally proposed. She pointed out one substantive change regarding the definition of the collection of funds. **Ms. Hall** stated there was no fiscal impact to the General Fund.

DISCUSSION: **Vice Chairman Lenney** queried why the IDOI changed the collection of funds. **Ms. Hall** stated the change was to modernize the phrases and terms to match what was currently being used in the industry.

MOTION: **Chairman Foreman** moved to approve **Docket No. 18-0501-2401**. **Senator Bernt** seconded the motion. The motion carried by **voice vote**.

DOCKET NO: 18-0606-2401 **Surplus Line Rules (ZBR Chapter Rewrite) - Pending Rule, p. 106.** **Eric Fletcher**, Bureau Chief, Company Activities, Idaho Department of Insurance (IDOI), stated this rule provided procedures for the placement of surplus line insurance. He explained surplus line insurance was the non-admitted market or referred to as the excess market. There were no changes to the pending rule, and it was adopted as originally proposed. There was no fiscal impact to the General Fund.

MOTION: **Senator Guthrie** moved to approve **Docket No. 18-0606-2401**. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

DOCKET NO 18-0801-2401 **Adoption of the International Fire Code - Pending Rule, p. 111.** **Knute Sandahl**, Idaho State Fire Marshal, reported this pending rule added clarifying language to Section 017, regarding licensed sprinkler contractors. The text of the pending rule was amended in accordance with Idaho Code § 67-5227. Only those sections that had changes that differed from the proposed text were printed. There was no fee or charge imposed or that was increased. **Mr. Sandahl** noted the wording in the rule automatically made violations of the fire code a misdemeanor. These changes resulted in going through the prosecutorial process if there was a violation.

DISCUSSION: **Senator Lakey** emphasized that there was a necessary process involving the fire code officials before the prosecuting attorney could take further action. **Mr. Sandahl** confirmed that this process was accurate and added that many fire code officials supported a progressive enforcement approach, which involved discussing violations with the individual and working toward a solution. **Senator Lakey** acknowledged that this progressive approach added an additional layer to the process, which might need to be expedited. He noted that if fire marshals were open to incorporating progressive enforcement, it could provide more assistance to violators by offering an alternative to court proceedings.

MOTION: **Senator Guthrie** moved to approve **Docket No. 18-0801-2401**. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 24-2201-2401 **Rules of the Idaho State Liquefied Petroleum Gas Safety Board (ZBR Rewrite) - Pending Rule, p. 137.** **Jessica Spoja**, Licensing and Registration Program Manager, Idaho Division of Occupational and Professional Licenses (DOPL), noted the text of the pending rule was amended in accordance with Idaho Code § 67-5227. Only those sections that had changes that differed from the proposed text were printed. There were no adjustments to the fees. She referenced the "crosswalk" detailing the changes.

DISCUSSION: **Senator Lakey** and **Ms. Spoja** discussed the new licensure section under Subsection 100 and how the requirement already existed in code.

MOTION: **Chairman Foreman** moved to approve **Docket No. 24-2201-2401**. **Senator Guthrie** seconded the motion. The motion carried by **voice vote**.

DOCKET NO. 24-3201-2401 **Rules of the Idaho Board of Licensure of Professional Engineers and Professional Land Surveyors (BLPE), p. 155.** **Jessica Spoja**, Licensing and Registration Program Manager, Idaho Division of Occupational and Professional Licenses (DOPL), provided an update on the amended text since the rules were first published. She explained that technical, non-substantive edits were made throughout the docket. Specifically, the term "Division" was defined as the DOPL in Rule 002.3. Additionally, language was added to clarify the continuing education requirements separately for land surveyors and professional engineers in Rule 100.05. **Ms. Spoja** mentioned that the pending rule text was amended in compliance with Idaho Code § 67-5227. Only the sections with changes from the proposed text were printed in the bulletin. Importantly, no fees were altered as a result of this rulemaking or since the previous review by the Idaho Legislature.

DISCUSSION: **Vice Chairman Lenney** and **Ms. Spoja** discussed Subsection ii. on page 159 relating to applicants licensed in another country. Many from out of the country completed general education credits in elementary school. The BLPE may waive the requirements at its discretion.

Senator Ruchti and **Ms. Spoja** discussed a contingency fee contract for an engineer or professional land surveyor. **Ms. Spoja** stated she did not have the expertise in that area but was happy to set up a meeting with the subject matter experts and the Senator.

Senator Guthrie asked if the BLPE received feedback that the consumer who needed access to these rules had difficulty finding them. **Ms. Spoja** remarked there were no public comments received, but comments were received from licensees. She stated there were several links directly to all of the different statutory citations, as well as the rules.

MOTION: **Senator Guthrie** moved to approve **Docket No. 24-3201-2401**. **Senator Bernt** seconded the motion. The motion carried by **voice vote**.

**PASSED THE
GAVEL:**

Vice Chairman Lenney passed the gavel back to Chairman Foreman.

ADJOURNED:

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

Senator Foreman
Chair

Linda Kambeitz
Secretary