MINUTES

SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE:	Thursday, February 27, 2025
TIME:	1:30 P.M.
PLACE:	Room WW54
MEMBERS PRESENT:	Chairman Foreman, Vice Chairman Lenney, Senators Lakey, Nichols, Bernt, Zito, Ward-Engelking, and Ruchti
ABSENT/ EXCUSED:	Senator Guthrie
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 1:30 p.m.
GUBERNATORIAL REAPPOINTMENT VOTE:	**Committee Vote on the Gubernatorial Reappointment of Nancy Merrill, Commissioner, Idaho Personnel Commission (IPC)**.
MOTION:	**Senator Bernt** moved to send the gubernatorial reappointment of **Nancy Merril** , Commissioner, IPC, to the floor with the recommendation that she be confirmed. **Senator Nichols** seconded the motion. The motion carried by **voice vote**.
S 1126	**PROPERTY - Amends existing law to revise provisions regarding self-service storage facilities. Senator Woodward** noted that the bill had updated and amended Idaho Code § 55-2302 and made technical corrections to § 55-2306 regarding the enforcement of a lien and to § 55-2308 regarding lessees in default and the removal of vehicles or trailers. **Senator Woodward** stated that there had been no fiscal impact on the State General Fund. The updates had related to modifying outdated advertising requirements and technical corrections suggested by the Idaho Department of Transportation (IDT).
TESTIMONY:	**Travis Quast**, Regional President and Publisher for APG Media in Eastern Idaho and a Board member representing the Newspaper Association of Idaho (NAI), testified in opposition to the bill. He explained the most concerning issue was this bill removed all public notice requirements. The notice of a potential sale was important for two reason; 1) to ensure that the lessee of the storage unit had every opportunity to be notified that their property was about to be sold. If a person's property was to be taken and sold, every effort should be made to contact them. This bill removed all requirements; 2) to ensure that potential buyers participated in the notice as proceeds from any sale of said property went to satisfy the debt owed and any money over the amount owed was returned to the owner. The fewer people who attended the auction, the more likely goods sold did not cover the debt. This bill also removed the 10-day waiting period, which removed the ability for the renter to remedy a debt owed. **Mr. Quast** explained the NAI worked with storage unit owners in the past. He referred to S 1264 (2020) that reduced the notice from twice to once to ensure there was some sort of notice to the potential debtor as well as the public for maximum participation for all. He referred to a central website IdahoPublicNotices.com where notices were posted from all over the State. It was beneficial for potential buyers, being able to view these notices from

across the State in one location, potential sales information was posted and not necessarily in a local community, which increased the potential participation of buyers and gave the debtor maximum return on goods sold.

Ron Osborne, Chief Executive Officer of Bitterroot Holdings and owner of 29 storage facilities in eight states, testified in support of the bill. He noted people needed the best choice possible. He referenced a chart that showed print newspapers versus internet-based news usage in the U.S. (1995-2025). (Attachment 1). He noted people accessed information online. The recovery of funds and online auctions helped.

DISCUSSION: **Senator Lakey** queried if this happened when a lessee was two months late on their payment was a 30- to 60-day notice given. **Mr. Osborne** stated automatic notices via text and email were sent based on the contract.

Senator Nichols queried about the different methods of advertising. **Mr. Osborne** stated they advertised through the website, phone calls, text, email, and notifications were sent by certified mail and in the newspaper.

Senator Ward-Engelking remarked the bill said the property owner of the storage unit had to be notified, but wondered how the public was notified. **Mr. Osborne** stated the public was notified from the website as to the designated auctioneer. He stated people were familiar with these auction sites and had high participation. Some of the auctions were done on site and others were done online. In response to **Senator Ward-Engelking's** question about what was done if property did not sell, **Mr. Osborn** stated if the contents did not sell and the owner did not participate or pay the rent, the contents would be disposed of.

TESTIMONY: **Tim Olson,** Self-Storage Facilities Association, testified in support of the bill. He reported this bill was an attempt to modernize current statute in line with 25 other states that were using websites. He stated newspapers were not reliable and effective. A contract dictated how the person and the owner of the self-storage facility were to communicate. A certified letter had to be sent. The website provided an opportunity for communication.

DISCUSSION: **Senator Woodward**, stated that as a contractor he understood the importance of legal notices and publications in the newspaper. The online auction was a thriving industry and helpful to all.

MOTION: **Senator Nichols** moved to send **S 1126** to the floor with a **do pass** recommendation. **Senator Lakey** seconded the motion. The motion carried by **voice vote**. **Senators Ruchti** and **Ward-Engelking** requested their vote be recorded as nay.

H 151 **OCCUPATIONAL LICENSING REFORM ACT - Repeals and adds to existing law to provide for certain reporting requirements to be made by state agencies that are licensing authorities**. **Senator Lakey** explained that the legislation had provided objective information to the Legislature and the public on the number of complaints and disciplinary actions taken by Idaho licensing agencies. Complaints and disciplinary actions had served as proxies for public safety in published literature. Reporting this objective information to the Legislature had assisted efforts to reduce red tape in the area of occupational licensure reform.

Senator Lakey noted that the legislation had no fiscal impact on the State budget or General Fund. Most licensing boards had already reported this information voluntarily in Performance Measurement Reports (PMR), and the additions to this voluntary reporting had previously been required and reported

under Executive Order 2017-06. This had been accomplished without any incremental cost to the licensing agencies.

MOTION: **Senator Nichols** moved to send **H 151** to the floor with a **do pass** recommendation. **Senator Ruchti** seconded the motion. The motion carried by **voice vote**.

H 64 **WORKERS' COMPENSATION - Amends existing law to provide that members of limited liability companies (LLC) may be liable for a failure to secure compensation**. **Senator Ruchti** stated this amendment clarified which individuals within a business entity had liability for failing to obtain workers' compensation insurance. Specifically, it had enumerated "members" of an LLC to align with legislative intent to hold business owners and those responsible for obtaining Idaho workers' compensation insurance accountable. **Senator Ruchti** indicated that the legislation had no impact on the General Fund, any dedicated fund, or federal fund, as the proposal had simply sought to clarify existing law.

Senator Ruchti explained that the intent of Idaho Code § 72-319 had always been to hold business owners and responsible parties accountable. However, ambiguity in the statutory language had led to inconsistent application. The proposal had provided clear guidance for legal actions, ensuring that appropriate parties could be named in lawsuits without ambiguity. The statute had used the term "manager" for LLC contracts. An LLC could be either manager-managed or member-managed. The Idaho Industrial Commission (IIC) had wanted the statute to reflect both types of LLC's.

MOTION: **Senator Lakey** moved to send **H 64** to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

H 65 **WORKERS' COMPENSATION - Amends existing law to move the definition of "member of an employer's family." Senator Nichols** explained that the amendment had moved the definition of "member of an employer's family" from a subsection of Idaho Code § 72-212, which related to exemption from coverage, into the definition section of Idaho Code § 72-102, which applied to all Workers' Compensation sections of Idaho Code, Title 72. Transferring the definition had ensured consistency in how it was referenced and applied. The term "member of an employer's family" had meant "a natural person or the spouse of a natural person who was related to the employer by blood, adoption, or marriage within the first degree of consanguinity or a grandchild or the spouse of a grandchild." **Senator Nichols** noted that the legislation had no impact on the General Fund, any dedicated fund, or federal fund, as the proposal had sought to clarify existing law.

MOTION: **Senator Lakey** moved to send **H 65** to the floor with a **do pass** recommendation. **Senator Ruchti** seconded the motion. The motion carried by **voice vote**.

H 66 **WORKERS' COMPENSATION - Amends existing law to revise provisions regarding service of notice of hearings**. **Senator Ruchti** stated a Notice of Hearing had been required to be sent by certified mail under Idaho Code § 72-713, making it the only pleading statutory requirment to be served by the Idaho Industrial Commission (IIC) in this manner. The legislation had retained the requirement that the IIC give at least ten days' written notice of hearing to the parties but had eliminated the requirement that such notice must be served by certified mail. The amendment had allowed for service of a Notice of Hearing to be made by regular mail, fax, or email for represented parties. Self-represented claimants, also known as pro se claimants, had still received notices by certified mail unless they chose to opt into electronic delivery. The IIC had been moving to a paperless system.

Senator Ruchti noted that the legislation had no impact on the General Fund, any dedicated fund, or federal fund. This change had resulted in a de minimis savings in dedicated fund monies of approximately $4,000 annually.

MOTION: **Senator Nichols** moved to send **H 66** to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

H 67 **WORKERS' COMPENSATION - Amends existing law to increase maximum allowable burial expenses and to revise provisions regarding transportation expenses**. **Senator Nichols**, explained that on average, Idaho had experienced 27 work-related fatalities per year. The purpose of the proposed legislation had been to amend Idaho Code § 72-436 to increase the maximum allowable burial expenses for workers who suffered fatal work-related injuries from the current cap of $6,000 to $10,000. This adjustment had reflected the inflationary costs associated with burial and related services, ensuring that families were adequately supported during their time of loss. The costs related to this benefit had not been increased since 1993.

Senator Nichols noted that, additionally, the amendment had sought to provide clear language that included the transportation of the deceased worker's body as part of the covered burial expenses. The proposed changes had also removed geographic limitations on the transportation of the body, allowing for the deceased worker to be transported to their final resting place. This clarification had aimed to ensure that all necessary costs associated with the burial process, including returning the deceased worker to their final resting place, were comprehensively covered under the statute.

Senator Nichols noted that the legislation had no impact on the General Fund, any dedicated funds, or federal fund. The additional costs had been covered by workers' compensation insurance companies at an estimated cost of $108,000. This estimated cost had been offset by savings resulting from the inclusion of transportation costs within burial expenses.

TESTIMONY: **Tony Valdez**, Executive Director, Idaho Funeral Organization, testified in support of the bill. He noted he appreciated the efforts of the Idaho Industrial Commission (IIC).

MOTION: **Senator Ruchti** moved to send **H 67** to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

H 122 **BARBERS AND COSMETOLOGISTS - Amends and repeals existing law to provide for the de-licensure of makeover and glamour photography businesses**. **Representative Ehlers** explained that the legislation had aimed to de-license glamour photography. He noted that there had been a decrease in licensing fees to the respective board and a corresponding decrease in Barber and Cosmetology Board expenses. The fiscal impact had been nominal. He deferred to Senator Den Hartog to answer any questions.

DISCUSSION: **Senator Den Hartog** stated there were only two licensed glamour photography businesses in the State with no complaints. She noted there was no reason to continue to require licensing.

MOTION: **Senator Ward-Engelking** moved to send **H 122** to the floor with a **do pass** recommendation. **Senator Nichols** seconded the motion. The motion carried by **voice vote**.

ADJOURNED: There being no further business at this time, **Chairman Foreman** adjourned the meeting at 2:13 p.m.

Senator Foreman
Chair

Linda Kambeitz
Secretary