MINUTES

SENATE COMMERCE & HUMAN RESOURCES COMMITTEE

DATE:	Thursday, March 03, 2016
TIME:	1:30 P.M.
PLACE:	Room WW54
MEMBERS PRESENT:	Chairman Patrick, Vice Chairman Martin, Senators Lakey, Guthrie, Heider, Rice, Thayn, Schmidt and Ward-Engelking
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 Commerce and Human Resources Committee (Committee) to order at 1:30 p.m.
MINUTES APPROVAL:	**Chairman Patrick** announced the Minutes of February 23, 2016, would be heard later in the meeting. **Senator Thayn** moved to approve the Minutes of February 25, 2016. **Vice Chairman Martin** seconded the motion. The motion carried by **voice vote**.
S 1315	**Relating to Trust Sale**. **Trent Wright**, President and Chief Executive Officer (CEO), Idaho Bankers Association, stated this legislation relates to personal property left behind following a trustee's sale. The purpose is to clarify the liability for disposition of personal belongings left at a property. There is no fiscal impact on state or local funds. He said he requested the Committee send **S 1315** to the amending order. He said the previous language in section 11 had been removed, and new language was inserted into a new section 15. **Mr. Wright** said that **S 1315** provides that following the tenth day of a trustee's sale the purchaser may remove any non-titled personal property remaining on an unoccupied premises and place it in suitable storage for a period not to exceed 90 days. He explained that personal property is often left by the prior owner or a tenant following a foreclosure. Sometimes it is difficult to determine whether the personal property has been abandoned. He said there is often a question of what to do with the personal property left behind once the creditor takes possession of an otherwise vacant property. Can the creditor discard the personal property or is an eviction required to have the personal property removed? This bill is straightforward legislation that establishes a clear timeline for disposition of personal property left behind and the notice for retrieval of the property. **Mr. Wright** referred to section 15 of the bill and noted the changes. He explained that on or after the tenth day, as provided in subsection 11, if the property is reasonably determined by the purchaser to be unoccupied, the purchaser may (a) dispose of any titled personal property remaining on the premises in the manner described by applicable law; and (b) remove any non-titled personal property from the premises and place it in suitable storage. The purchaser may dispose of the non-titled personal property only after providing 30 days written notice. The 30-day notice has to be sent by first-class mail to the last known address of the last known occupant of the property; a notice must be posted in a conspicuous place on the real premises that such non-titled personal property may be disposed of following such 30-day period, and providing a name, address and phone number to contact regarding further information as to the location and disposition of such non-titled

personal property; and the notice shall generally describe the non-titled personal property that was left on the premises and that the purchaser intends to dispose of the property and the anticipated method(s) of disposition. In subsection (c) if the owner of the non-titled personal property fails to claim the non-titled personal property within 90 days of the date of the written notice that was provided under subsection (b), then any and all of their rights in said property shall extinguish and the purchaser shall have no further liability regarding said property or to any potential claimants of said property.

Senator Lakey remarked he had the opportunity to meet with Mr. Wright on the language revision, which provides more opportunity for notice and property posting for a 90-day period.

MOTION: **Senator Lakey** moved that **S 1315** be sent to the floor of the Senate with a recommendation to refer this bill to the amending order. **Senator Rice** seconded the motion.

TESTIMONY: **Richard Eppink**, Legal Director, representing the American Civil Liberties Union (ACLU), testified in opposition to the bill. He said he has represented hundreds of families who lost their family heirlooms and other belongings. He advised that the eviction process needed to be supervised by the courts. He said personal property was part of the deal in non-judicial notices. The foreclosure industry does not consider families. Billions of dollars have been lost. He asked the Committee to hold the bill.

Joseph Jones, Deputy Attorney General representing the Department of Finance (DOF), said the DOF does not oppose this bill. Lenders face complexities when a property has to go through foreclosure, which is very costly. He said the properties are abandoned and the lenders are forced to go to court and to get a court order; the DOF understands the difficulties of the situation.

DISCUSSION: **Mr. Wright** said this bill specifically addresses unoccupied homes. This bill also specifies a reasonable time period for notices.

Senator Schmidt wanted to know if there were any changes on page 3, section 11. **Mr. Wright** explained that the amendment strikes out the language in section 11, and a new section 15 will be created.

Senator Rice commented that violations of the bankruptcy code would still have remedies. This legislation creates a separate process for unoccupied property which allows for notices to owners to reclaim property. There is also a provision to allow property to be disposed of if no one claims it within a reasonable period of time without creating further litigation.

VOTE: The motion carried by **voice vote**. Senator Lakey will carry the bill on the floor.

RS 24582 **Unanimous Consent Relating to Travel Insurance**. **Sarah Fuhriman**, US. Travel Insurance Association, said this legislation would authorize the Department of Insurance (DOI) to issue a limited-lines travel insurance producer license to qualified applicants for provisions of travel insurance through travel retailers. The legislation requires the licensed limited-lines travel insurance producer and the travel retailer to meet administrative and disclosure requirements, such as including the producer's identification information. The producer will be required to make certain disclosures to the consumer in the marketing materials and fulfillment packages, and the producer will be required to establish and maintain a transaction record. There is no impact to local government or to the General Fund.

Senator Schmidt wanted to know why this legislation was being introduced so late

in the session. **Ms. Fuhriman** said this was due to her client working with the DOI. It took a while for conversations to take place.

MOTION: **Chairman Patrick** asked for unanimous consent to send **RS 24582** to the Senate State Affairs Committee for printing. There were no objections.

RS 24537 **Unanimous Consent Relating to Automobile Minimum Liability Insurance**. **Bill Litster**, Idaho Public Policy Institute, remarked the purpose of this legislation is to increase the required automobile minimum liability insurance or proof of financial responsibility from $25,000 to $50,000 maximum for one claimant; from $50,000 to $100,000 maximum for two or more claimants; and from $15,000 to $50,000 maximum for property damage. Liability insurance minimum limits have not been increased since 1983, which is more than 33 years ago. The same $25,000 in medical services that a person received in 1983 would cost more than $100,000 today.

The precise savings are yet to be determined, but the benefit to the General Fund and other government entities is conservatively estimated to be between $1 million and $2 million. The reason for these savings is because government entities that have paid for medical bills have a first-position reimbursement right (subrogation) from automobile insurance settlements paid from an at-fault driver or the responsible insurance company.

Senator Schmidt mentioned that Mr. Litster remarked that Senator Davis was not successful 12 or 15 years ago when he introduced similar legislation, and he wanted to know when in the session Senator Davis started his endeavor. **Mr. Litster** said that he could find out.

MOTION: **Chairman Patrick** asked for unanimous consent to send **RS 24537** to the Senate State Affairs Committee for printing. There were no objections.

RS 24652 **Unanimous Consent Relating to Durable Medical Equipment**. **Senator Jim Guthrie** said the purpose is to amend the Idaho Pharmacy Act (IPA) by adding additional requirements to be issued a Durable Medical Equipment (DME) license by the Idaho Board of Pharmacy (IBP) and to add a definition of DME supplier. This legislation also adds a requirement for suppliers of listed DME devices to have an accredited facility in the State or within 150 miles of the border. The DME supplier must have sufficient inventory and staff to service or repair products. There is no fiscal impact to the General Fund.

Senator Guthrie reported there were some issues that arose when this legislation was originally heard. This Routing Slip (RS) incorporates those revisions. He outlined the changes and referred to page 8 for the primary changes. He said the proximity to the State language remains intact. This RS is an effort to make the legislation better.

MOTION: **Chairman Patrick** asked for unanimous consent to send **RS 24652** to the Senate Judiciary and Rules Committee for printing. There were no objections.

MINUTES APPROVAL: **Senator Rice** moved to approve the Minutes of February 23, 2016. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**.

S 1358 **Relating to Idaho Equipment Dealer Protection Law**. **Roger Batt**, Western Equipment Dealers, said the purpose of this legislation is to provide clarification of the original legislative intent of the Idaho Equipment Dealer Protection Law, which was passed to protect dealers from changes imposed by equipment suppliers if changes are substantial and negatively impact the equipment dealer's business.

Mr. Batt explained that on page 1 of the bill, subsection 4, this legislation provides clarity to the original intent of the law by making it a violation of the law for an equipment supplier to substantially change the dealer's competitive circumstances without good cause. He explained "substantially changing the dealer's competitive circumstances" as an event, act or omission of the supplier that has a material detrimental effect on the dealer's ability to compete with another dealer who sells the same brand of equipment. **Mr. Batt** remarked the best way to explain the situation is that equipment dealers have a geographical area of responsibility assigned to them by the supplier to sell and service the supplier's brand of equipment. Dealers purchase parts and special tools and invest in buildings and rolling stock, education and training, inventory and product support to promote the supplier's product. For decades, Idaho equipment dealers have understood once they are assigned an area of responsibility by the supplier, that this area belongs to them to sell equipment and parts to customers and to meet market share requirements in their dealer agreement with the supplier. Dealers have always understood that a free trade system exists and that someone from one area of responsibility may sell equipment or parts to someone in another's area of responsibility.

Mr. Batt said that what dealers are not accustomed to, and the driving force behind this legislation, is if a supplier were to work with another dealer to put a physical dealership in the middle of an existing dealership's area of responsibility. This happened in Idaho a few years ago. He cited an example of a dealer who, after decades of large capital investments, selling equipment and building a client base, was suddenly notified that another dealership had been given approval by the same supplier to build another dealership within that same area of responsibility to sell the same product line. This is viewed by equipment dealers as wrongful, harmful to existing business owners, against the intent of the Idaho Equipment Dealer Protection Law and without any doubt "substantially changes the dealer's competitive circumstances."

Mr. Batt pointed out that in subsection (4) of the bill, the words, "of the dealer agreement" have been removed and language was added in lines 40-42 to clarify that persons interpreting the statute understand that the terms of a dealer agreement do not impact the determination of whether there has been a substantial change in the dealer's competitive circumstances. Page 2 of the bill clarifies language in the statute with respect to suppliers.

Pages 3 and 4 of the bill address a supplier being allowed to substantially change the dealer's competitive circumstances with good cause. Under these sections of law, the supplier would need to provide written notice to the equipment dealer of any substantial change in the dealer's competitive circumstances. If the supplier's claim is that the dealer failed to achieve market penetration, the supplier would provide written notice of its intention at least one year in advance to the dealer. Upon the end of the one-year period, the supplier may substantially change the dealer's competitive circumstances upon written notice specifying the reasons for determining that the dealer failed to meet reasonable market penetration.

Mr. Batt referred to several letters of support he received from members of the Western Equipment Dealers, including the Coeur d'Alene Tractor Company, Schlofman Tractor in Boise and Pioneer Equipment in Idaho Falls that explain the need for this legislation and how it would benefit these dealerships.

He mentioned that as of yesterday, some amendments to this bill were agreed upon by the Western Equipment Dealers and the Association of Equipment Manufacturers. These amendments include the definition of "substantially changing the competitive circumstances" Idaho Code § 28-24-103 and strike the word "determine" on line 40 of the bill and replace it with the word "control" with respect to the dealer agreement. This is the same language that both parties above agreed to and that is in Oregon's legislation that was passed and signed into law in 2015. **Mr. Batt** said he knows of no opposition.

DISCUSSION: **Vice Chairman Martin** said he needed some historical perspective. He wanted to know why there was not a similar protection for cell phone dealers and others? **Mr. Batt** said there has been a long standing history between dealers and suppliers. He cited an example of a supplier who put a dealership in the area of responsibility for another established dealer. This caused significant damage to the established dealer's business. **Vice Chairman Martin** talked about the free enterprise system and allowing dealerships to freely compete.

Chairman Patrick remarked the standards addressed in **S 1358** are the same in the automobile business. Dealers are protected from changes imposed by suppliers if changes are substantial and negatively impact the car dealership business.

Senator Rice asked if equipment dealers had to pay for a franchise in addition to purchasing equipment and parts. **Mr. Batt** said this has never been discussed. **Senator Rice** said he was not sure if it was not already illegal, but he said when he read the changes on page 1, the bill is clarifying that if an agreement allows an event, act or omission, it does not mean that a court could not find that there is not a substantial change in the competitive circumstances. **Senator Rice** asked Mr. Batt if this was correct, and **Mr. Batt** said that was his understanding. **Senator Rice** commented that the changes on pages 3 and 4 were clarifying rather than substantive changes. **Mr. Batt** said the changes deal with good cause, which would be in writing from the supplier to the dealership in order to give them enough time to make the necessary corrections.

Senator Heider wanted to know why the State is in the middle of dealer agreements. He remarked that each dealer has a region and it seemed to him as though the dealer and the manufacturer have agreements. **Mr. Batt** explained that contracts that are entered into between a supplier and a dealer are adhesion contracts, also known as a "take it or leave it" contracts. He said that there is no protection regarding market penetration. **Senator Heider** said that is the purpose of the contract. A contract is there to protect the dealer and the supplier. **Mr. Batt** stated there is nothing in statute that protects dealerships from suppliers arbitrarily making decisions to substantially change or alter the circumstances of the dealer, even if it is in the contract.

Chairman Patrick said "take it or leave it" contracts are common and there is no negotiating.

TESTIMONY: **Suzanne Budge**, representing John Deere, said she wanted the bill amended to align the language with dealer contracts in other states. She said the intent was to have language that is agreed upon by manufacturers and dealers. She pointed out that in 2015 two parties did agree on common language and she wanted that included in this legislation. She asked the Committee to consider removing ambiguity and aligning the language that was agreed upon in Oregon. She explained that on page 1, line 40, she wanted to strike the word "determine" and insert the word "control." She asked that a definition be added for "substantially changing a dealer's competitive circumstances." She noted this change would be for new contracts, which is what was consistent with the state of Oregon.

Vice Chairman Martin remarked when he had his businesses, he had multiple product lines and signed contracts, which were "take it or leave it" and were non-negotiable. He had no government protections. He asked why the Legislature should intervene for this group versus another group. **Ms. Budge** said code has been in place for many years. She said this code also applies to auto dealers. The language added in this bill should provide certainty and remove ambiguity. The proposal does not affect current contracts. She remarked that John Deere endeavors to have good relationships with their dealers, which is the heart of their business.

Vice Chairman Martin asked if we do nothing on this legislation, what is the effect and why the change? **Ms. Budge** said this bill was brought by dealers and it is their objective to change the language on behalf of their organizations. The manufacturers are responding to the legislation. The manufacturers have reviewed the legislation and are being proactive when they find issues that are going to be problematic in their existing contracts.

Senator Schmidt asked if any surrounding states besides Oregon have this type of legislation. **Ms. Budge** said that from a broader perspective, many states have these contractual deals in their codes; the most recent one is in Oregon. The objective is to have the language aligned in the state where the manufacturer is located as well as that of the dealer.

Senator Lakey remarked he struggled with the anti-competitive nature contained in this bill. He said this bill seems to take the focus away from the agreement and make something happen outside of the agreement. **Ms. Budge** said she did not agree or disagree. This issue has been under discussion for many years.

Senator Guthrie remarked this change is only applicable moving forward. He wanted to know if others would be "grandfathered" in. When others want to move in does that not confuse the situation? **Ms. Budge** said these contracts are already in place across the State. A provision would be requested to allow that contracts in place be subject to the law already in place when the contract was signed. Only new contracts would be affected. **Senator Guthrie** commented it seemed that an existing dealership would be subject to someone moving into the area of responsibility and the person who moved in would not be subject to any further competition. This seemed unfair to him. He suggested that if a dealer renews a contract in three or five years, then they would fall under the new law.

Senator Rice wanted to know what was different with these changes from the viewpoint of the manufacturers. **Ms. Budge** said manufacturers were not proposing the language, but rather this was a reaction from a national viewpoint regarding ambiguous language.

Senator Heider queried that if the dealer's competitive circumstances were

changed versus the competitive circumstances of a dealer agreement, was there a difference? He referred to lines 35-36 on page 1 and said there did not appear to be any changes in the definition. **Ms. Budge** said the language was not that of her client.

Mr. Batt commented he thought there was an agreement on the amendments. He stated there was an initial agreement to strike "determine" and the definition, but there was no agreement on section 4 and he said current contracts would not be protected. Lines 35 and 36 would change the terms within the agreement.

Senator Schmidt asked if this law is passed, why would it not just affect new contracts? Would all current contractural relationships be redrawn? **Mr. Batt** said the amendment only applies to new contracts, and current contracts would not be protected. He said the changes should be retroactive.

MOTION: **Senator Heider** moved that **S 1358** be held in Committee. **Vice Chairman Martin** seconded the motion. **Senator Lakey** stated he was in support of the motion. **Senator Rice** commented he saw this bill as one that could not move forward. The motion carried by **voice vote**.

H 366 **Relating to the Board of Architectural Examiners**. **Mitch Toryanski**, Attorney, Idaho Board of Occupational Licenses (IBOL), said this bill will remove members of the State Board of Architectural Examiners (IBAE) from the Public Employee Retirement System of Idaho (PERSI) by changing the payment they receive from compensation to an honorarium, under Idaho Code § 59-509. There is no impact on the General Fund and a negligible impact on dedicated funds.

Mr. Toryanski stated the IBAE consists of six volunteers appointed by the Governor; they are all practicing architects. This bill changes the type of compensation that IBAE members receive from $75 per day in salary to $75 per day in honorarium. By changing from salary to honorarium means members will no longer participate in PERSI. He explained that the reason IBAE members do not want to participate is because their small contribution to PERSI, a defined benefit plan, can have negative tax consequences relating to their participation in a private sector retirement plan, typically a 401K or an Individual Retirement Account (IRA). Most boards used to participate in PERSI. Over the years, all boards except for the IBAE have voted to opt out of PERSI.

MOTION: **Senator Thayn** moved that **H 366** be sent to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**. Senator Lakey will carry the bill on the floor.

H 368 **Real Estate Appraisers - Amends Existing Law to Revise Definitions**. **Roger Hales**, Attorney, IBOL, said in this bill the Idaho Real Estate Appraiser Board (IREAB) is amending its definition of "appraisal." The law change will establish that the IREAB regulation only pertains to an estimate of the value of real property rather than opinions regarding the nature, quality or utility of the real property. There is no impact on the General Fund or the IBOL's dedicated fund.

Mr. Hales said this proposed law change was requested by a licensed real estate appraiser based upon a concern that the present definition is so broad that it includes many other services, such as soil reports, energy audits, title reports or property inspections, where no opinion of value is intended.

The proposed law change was discussed and adopted in an open, noticed meeting of the IREAB. It has been posted on the IREAB's website since October 2015. A postcard was sent to all current license holders informing them of the proposed change. There was no opposition.

Senator Schmidt stated the definition of "appraisal" has been significantly narrowed. He expressed a concern that there may be unforeseen consequences. **Mr. Hales** said the IREAB has not dealt with other opinions related to quality or utility of real property and this change will not affect current practice.

MOTION: **Senator Heider** moved that **H 368** be sent to the floor with a **do pass** recommendation. **Senator Lakey** seconded the motion. The motion carried by **voice vote**. Senator Heider will carry the bill on the floor.

H 486 **Relating to Barber Colleges**. **Kris Ellis**, Northwest College Federation, stated the purpose of this legislation is to clarify licensed barber schools as postsecondary institutions in order to align with federal regulations. There is no fiscal impact to the General Fund.

Ms. Ellis commented this is a cleanup bill that is required by the U.S. Department of Education (USDOE) for schools with students who are eligible for federal financial aid. The added language will ensure that barber schools in Idaho are in compliance with this rule that requires them to be designated as postsecondary schools. In 2013 legislation was passed that brought cosmetology schools into compliance with the rule, but not barber schools.

Ms. Ellis said an oversight was discovered this summer when a new barber school went to open in Boise and the USDOE asked for their postsecondary certificate. The IBOL was not able to provide a certificate specific to the barber school. The substantive changes do three things: 1) designate barber schools as postsecondary; 2) clarify the schools must be licensed by the State Board of Education; and 3) students that attend must meet minimum requirements for admittance to a school. This legislation also has an emergency clause to quickly remedy this oversight.

MOTION: **Senator Heider** moved that **H 486** be sent to the floor with a **do pass** recommendation. **Vice Chairman Martin** seconded the motion. The motion carried by **voice vote**. Vice Chairman Martin will carry the bill on the floor.

H 398 **Relating to Revised Uniform Athlete Agents Act** (RUAAA). **Dale Higer**, Chairman, Uniform Law Commission (ULC), said the RUAAA updates the 2000 version of the Uniform Athlete Agents Act (Act) adopted by Idaho in 2001 due to the increased occurrences of improper activity with respect to benefits between student athletes and agents and for the ever-evolving sports commercial marketplace. The Act governs relations among student athletes, athlete agents and educational institutions. It further protects the interest of student athletes and academic institutions by regulating the activities of athlete agents. The 2015 revision updates the definition of "athlete agent"; requires reciprocal agent licensing; and enhances notice requirements to educational institutions. There is no impact on the General Fund.

Mr. Higer explained the Act was promulgated in 2000 after the National Collegiate Athletic Association (NCAA) asked the ULC to undertake the drafting of a uniform act to address the problem of rogue sports agents giving cash and other economic benefits to student athletes. The Act has been widely adopted, Idaho being one of the first in 2001. Forty-two states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands have adopted this Act. Many states have amended the Act to address issues raised by this conduct, thereby making the Act less uniform. After studying these and other issues, the ULC in 2013 created a drafting committee to revise the Act. The RUAAA was promulgated by the ULC in 2015 after a two-year drafting project. All stakeholders involved in collegiate athletics attended and participated extensively in the drafting process. The stakeholders included the NCAA, the National Association of Intercollegiate Athletics (NAIA), the National Federation

of State High School Associations (NFSHSA), the American Football Coaches Association (AFCA), athletic directors, athlete agents' associations, the National Football League (NFL) Players' Association, the National Association of Secretaries of State (NASS) and the National Association of Attorneys General (NAAG).

Mr. Higer indicated the RUAAA updates and improves the Act by expanding the definition of "athlete agent," providing for reciprocal registration of agents, adding new requirements to the signing of an agency contract, expanding the notification requirements to educational institutions and providing remedies to student athletes. The term "athlete agent," defined in **H 398** in Idaho Code § 54-4802 beginning on page 1, line 38, includes financial advisors, business advisors, career managers and individuals who give something of value to a student athlete or another person in anticipation of representing the athlete for a purpose related to the athlete's participation in athletics. The RUAAA provides reciprocal athlete agent registration to address a concern of athlete agents for different forms in different states and the costs associated with filing in various states. That provision is found in Idaho Code § 54-4805 (2), page 6, beginning on line 27. The contract between the student athlete and athlete agent must now contain a statement that the athlete agent is registered in the state in which the contract is signed; list any other states in which the agent is registered, Idaho Code § 54-4810 (2)(a), page 9, lines 4-6; and be accompanied by a separate record signed by the student athlete acknowledging that signing the contract may result in the loss of eligibility to participate in the athlete's sport, Idaho Code § 54-4810 (4), page 9, lines 35-38. This last requirement is intended to draw to the attention of the student athlete the serious consequences of signing an agency contract.

Mr. Higer remarked the proposed RUAAA provides for additional notification requirements. An athlete agent is required to notify the educational institution at which a student athlete is enrolled before contacting a student athlete. This provision is found in Idaho Code § 54-4811(6), page 10, lines 36-38. A violation of this notice requirement is subject to civil penalties. An educational institution that becomes aware of a violation of the RUAAA by an athlete agent shall notify the IBOL of the violation. This provision is found in Idaho Code § 54-4811 (8), page 11, lines 1-4. Such notifications should lead to more enforcement of the RUAAA. Student athletes are now given a right of action against an athlete agent who is in violation of the RUAAA, Idaho Code § 54-4816, beginning on page 12, line 8. The Routing Slip (RS) that became **H 398** was reviewed by Tana Cory, Chief, IBOL, and her staff and proposed changes have been incorporated. The RUAAA has been endorsed by the NCAA and is supported by Boise State University (BSU) and the University of Idaho (U of I). **Mr. Higer** said he was not aware of any opposition to this legislation.

Senator Rice and **Mr. Higer** had a conversation about agents compensating players. They discussed the idea that it is illegal in most states for sports agents to provide gifts or other items of value to amateur athletes, and agents are supposed to register with state regulators before approaching an athlete. Violators can be prosecuted.

Senator Schmidt remarked that the civil penalties were the largest he has seen. **Mr. Higer** said this was current law.

Senator Rice said he was not comfortable with the bill and did not see what would be accomplished. He said he believed the civil penalty in existing code could be unconstitutional.

MOTION: **Senator Rice** moved that **H 398** be held in Committee subject to the call of the Chair. **Senator Lakey** seconded the motion. He said he thought there could be something that could be worked out. The motion carried by **voice vote**.

H 519 **Massage Therapy Student Compensation**. **Representative Kathleen Sims** said this bill will allow compensation to be given to massage therapy students for tuition work-off programs where such programs have been established by the institution teaching massage therapy. Students would graduate with a license and be debt-free. She remarked there is an emergency clause added. There is no impact to the General Fund.

TESTIMONY: **Lydia Benson**, Director of the American Institute of Massage, testified in support of this bill. She said her school has been offering tuition credit for the last 15 years as they have no federal funding.

MOTION: **Vice Chairman Martin** moved that **H 519** be sent to the floor with a **do pass** recommendation. **Senator Ward-Engelking** seconded the motion. The motion carried by **voice vote**. Senator Vick will carry the bill on the floor.

ADJOURNED: There being no further business, **Chairman Patrick** adjourned the meeting at 3:11 p.m.

Senator Patrick
Chair

Linda Kambeitz
Secretary