

MINUTES
HOUSE BUSINESS COMMITTEE

DATE: Wednesday, February 23, 2022

TIME: 3:00 P.M.

PLACE: Room EW41

MEMBERS: Chairman Dixon, Vice Chairman Furniss, Representatives Crane, Palmer, Barbieri, Armstrong, DeMordaunt, Clow, Andrus, Nichols, Adams, Bundy, Ferch, Galloway (Hancock), Mitchell, Shepherd, Berch, Green

**ABSENT/
EXCUSED:** Reps. Armstrong, Adams, Mitchell

GUESTS: The sign-in sheet will be retained in the committee secretary's office; following the end of session the sign-in sheet will be filed with the minutes in the Legislative Library.

Chairman Dixon called the meeting to order at 3:00 p.m.

MOTION: **Rep. Berch** made a motion to approve meeting minutes from February 15, 2022.
Motion carried by voice vote.

H 583: **Rep. Manwaring** presented **H 583**. The purpose of this bill is to define the legal status of digital assets, classify digital assets as personal property, and specify rights of purchase, possession, and control.

Rep. Manwaring stated this bill is a starting point for how digital assets will be protected in Idaho. It is broad to protect all digital assets and defines terms. **H 583** does not create new regulations or change any laws. It sanctions rights and personal property in code. It is important to have direction for what happens to these assets when there is a divorce, bankruptcy, or other civil matter.

In response to questions, **Rep. Manwaring** said a bank account is not a digital asset but a Facebook page is a digital asset. Digital assets are now being included in wills and it is difficult to draft legal documents because there is no relative information in Idaho Code. Rep. Manwaring said Smart Contracts have built-in triggers and Bitcoin is set up to have military grade protection.

Terrel Tovey, self, **Zach Forester**, Lobbyist, Idaho Banker's Association, **Ryan Fitzgerald**, NW Credit Association, and **Seth Ruder**, professor, College of Idaho, spoke **in support of H 583**. Mr. Tovey explained the complexities of cryptocurrency and the security to protect it. All agreed it is critical to define this asset class and include it in Idaho's legal framework.

In response to questions, **Mr. Fitzgerald** said there are 38 states with active legislation related to Digital Assets.

Rep. Manwaring closed by saying the risk of not addressing digital assets is losing the ability to innovate in this arena.

MOTION: **Rep. Crane** made a motion to send **H 583** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Manwaring** will sponsor the bill on the floor.

Chairman Dixon turned the gavel over to **Vice-Chairman Furniss**.

H 582: **Chairman Dixon** presented **H 582**. This legislation allows a non-profit organization and its volunteers to construct single family residences without the need to sub-contract work to licensed individuals. The legislation creates an electrical, plumbing, and HVAC licensure exemption when providing these volunteer services. The legislation does not change the current requirements in Idaho Code to pull a permit and complete an inspection according to life-safety codes when completing these installations in a single-family residence.

Chairman Dixon said with minor changes to the current code, non-profit organizations could pull permits and have volunteers do the electrical, plumbing and HVAC work. He said the bill would make it easier and more cost effective for non-profit organizations to construct houses.

In response to questions, **Chairman Dixon** said, currently, organizations have to have a licensed contractor pull permits. Each home goes through three inspections: a rough inspection, an inspections for items in the ground / other installations, and a final inspection when the construction is completed.

Michael Kane, representing Property and Casualty Insurers Association of America proposed an amendment to **H 582**. The Association is concerned by exemptions to the Idaho Building Code. The amendment would mandate a disclosure to buyers stating unlicensed people could have installed the electrical /plumbing/ /HVAC system in the home. Mr. Kane requested the committee send **H 582** to the Amending Order.

In response to committee questions, **Mr. Kane** said insurance liability would not change. There is a difference between a homeowner doing small projects within the home versus building an entire structure. An individual purchasing a home built by non-profit, has the right to ask for an independent inspection. Inspectors are good but still miss problems.

MOTION: **Rep. Ferch** made a motion to send **H 582** to the floor with a **DO PASS** recommendation.

In closing, **Chairman Dixon** said he does not support **Mr. Kane's** proposed amendment and does not think there is any greater risk for a volunteer helping build a home than a homeowner who does work on their own home.

During Committee discussion, **Rep. Berch** said he will not support the motion but respects the intent of the legislation. Licensure is about insuring a level of competency, therefore safety, therefore consumer protection.

VOTE ON MOTION: **Motion carried by voice vote. Rep. Bundy** and **Rep. Berch** requested to be recorded as voting **NAY**. **Chairman Dixon** will sponsor the bill on the floor.

H 660: **Chairman Dixon** presented **H 660**. This legislation will create the Idaho Energy Conservation Code in Title 39, Chapter 97, Idaho Code. The new chapter adds the current adoption of 2018 International Energy Conservation Code by the Building Code Board into Idaho Code. The legislation prohibits local governmental entities from adopting any energy codes that differ from or are more extensive than the requirements of the Idaho Energy Conservation Code. The legislation does not adopt any new provisions of energy code and does not change the rulemaking authority for the Building Code Board under the Division of Occupational and Professional Licenses to make amendments, revisions or modifications to the Idaho Energy Conservation Code adopted by the Idaho Legislature. The base codes could not be changed unless approved by the Legislature.

Jonathan Oppenheimer, External Relations Director, Idaho Conservation League, spoke **in opposition** of **H 660**. He said separating the Energy Efficiency Codes from the Rules of Building Safety and putting it in statute will increase consumer costs. Idaho Building Codes allow for flexibility to adopt Temporary and Emergency Rules. Mr. Oppenheimer requested the bill be held in committee.

Ken Burgess, Veritas, representing the Idaho Building Contractor's Association, spoke **in support** of **H 660**. He stated the Association prefers to have the Idaho Building Codes in Statute. If Codes are eliminated, it would allow local jurisdictions to set higher or lower standards and cause future problems. **H 660** will bring consistency.

In response to committee questions, **Mr. Burgess** said building for the Energy Conservation Code adds more expense but the cost in energy savings is made up over time.

MOTION: **Rep. Shepherd** made a motion to send **H 660** to the floor with a **DO PASS** recommendation.

During committee discussion it was noted Negotiated Rulemaking is possible. **Rep. Barbieri** stated he will not support the motion because he would like both houses to approve new rules.

VOTE ON MOTION: **Motion carried by voice vote. Rep. Barbieri** and **Rep. Berch** requested to be recorded as voting **NAY**. **Chairman Dixon** will sponsor the bill on the floor.

H 610: **Rep. Furniss** presented. **H 610**. This legislation adds a provision to allow collection agencies to collect incidental charges included in the contract between the creditor and the debtor. Additionally, the legislation creates licensing efficiencies by requiring the use of an electronic system of licensing and allowing for the reinstatement of an expired license. Further, the legislation eliminates a licensing requirement regarding a responsible person in charge of a licensee.

Anthony Polidori, Deputy Director, Idaho Department of Finance, said this legislation limits attorney fees to work performed. He explained the Electronic System of Licensing is a software platform and federal regulators use the system but they do not guide or operate it. Mr. Polidori said reinstatement of licenses may happen within 60 days of expiration without having to reapply.

MOTION: **Rep. Green** made a motion to send **H 610** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. Furniss** will sponsor the bill on the floor.

H 611: **Rep. Furniss** introduced **H 611**. This legislation authorizes the Director of the Department of Insurance to apply for a federal 1332 innovation waiver, and along with the board of directors of the Idaho Individual High Risk Reinsurance Pool to implement that waiver once approved. In order to obtain larger premium reductions for consumers participating in the individual health insurance market, the legislation halts any reinsurance payments by the Idaho Individual High Risk Reinsurance Pool until the waiver application is approved. If a waiver is granted, it would lower individual health insurance costs by approximately 7-8%.

MOTION: **Rep. DeMordaunt** made a motion to send **H 611** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote. Rep. DeMordaunt** will sponsor the bill on the floor.

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 4:39 p.m.

Representative Dixon
Chair

Kelly Staskey
Secretary