

MINUTES
HOUSE BUSINESS COMMITTEE

DATE: Tuesday, February 13, 2024

TIME: 1:30 P.M.

PLACE: Room EW41

MEMBERS: Chairman Clow, Vice Chairman Ehlers, Representatives Crane(13), Palmer, Barbieri, Dixon(1), Andrus, Furniss, Mitchell, Cornilles, Crane(12), Lanting, Petzke, Redman, Berch, Green, Rubel

**ABSENT/
EXCUSED:** None

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 Clow called the meeting to order at 1:30 p.m.

H 478: **Chairman Clow** introduced **Rep. Weber** who explained this legislation gives counties the option to engage with a qualified licensed inspector in the state to provide inspections on electrical and plumbing projects. Current law already gives cities the ability to perform these inspections. This legislation supports local control and provides for more timely and efficient inspections.

Testifying **in support** of **H 478**, **Bret Stoddard**, City of Rexburg and **Stephen Zollinger**, City of Rexburg expressed the bill would bring a local option for local governments and would bring increased efficiency to the inspection process.

In response to committee questions, **Mr. Zollinger** explained insurance policies covers liability regardless of who does the inspection. He shared the legislation does not increase litigation risk. He further explained the state doesn't accept liability. The inspectors are held responsible for their own actions. The contractor is still responsible for mistakes even if an inspector signs off on a project. The burden doesn't shift to the city or county. Mr. Zollinger also explained efficiency is increased by allowing a one-stop shopping model instead of having to outsource to another entity.

In response to committee questions, **Rep. Weber** explained all fees would remain the same, they just shift from DOPL.

In closing, **Rep. Weber** explained liability does not change whether DOPL or a local inspector conducts the inspection. Liability remains with the contractor who did the work.

MOTION: **Rep. Lanting** made a motion to send **H 478** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Weber** will sponsor the bill on the floor.

H 466: **Chairman Clow** introduced **Rep. Mathias** who explained this legislation aims to level the playing field between Idaho based architectural firms and national firms when bidding on state projects. This bill does two things. 1. It amends **Idaho Code 54-303** to clarify that the "practice of architecture" also includes "submitting a response" to an RFP, or RFQ 2. It amends **Idaho Code 54-305** to make clear that a firm who "offers to practice" must have an Idaho licensed architect who will "supervise the architectural services" listed in the proposal.

In response to committee questions, **Rep. Mathias** explained changing the RFP process to include giving Idaho firms a weighted advantage is a complicated process which would take more time. He expressed his agreement that Idaho companies of all professions should be given preferential treatment over non-Idaho companies in the RFP process, but that change should happen in different legislation.

Testifying in support of **H 466**, **Benn Brocksome**, Benn Brocksome & Associates representing AIA-Idaho, **Mark Heazle**, architect and partner at Lombard/Conrad Architects expressed support for the legislation, explaining why architects should be licensed in Idaho prior to submitting RFPs for projects in Idaho.

In response to committee questions, **Mark Heazle** explained when an out-of-state firm contracts with an Idaho firm, the Idaho firm has the contract with the state and carries the liability for the project.

MOTION:

Rep. Berch made a motion to send **H 466** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Mathias** will sponsor the bill on the floor.

H 479:

Chairman Clow introduced **Rep. Petzke** who explained this legislation.

In response to committee questions, **Rep. Petzke** explained the legislation replaces the existing Idaho Money Transmitter Act with the model Money Transmission Modernization Act. The Model Act was developed by an association of state agencies tasked with money transmitter supervision along with members of the money services business industry, with the intent to ensure state agencies can coordinate in the supervision of money services business, to protect the public from financial crimes, to standardize licensing, and to modernize licensing requirements to ensure customer funds are protected in an environment that supports innovative and competitive business practices. The Model Act sets forth provisions concerning money transmission licenses; acquisition of control; reporting and records; authorized delegates; timely transmission, refunds, and disclosures; prudential standards; and enforcement.

Rep. Petzke introduced **Patricia Perkins**, Director, Department of Finance who further explained the purpose of **H 479**. Ms. Perkins noted the Idaho Money Transmitter Act was enacted before the internet was in place and was geared towards older, more traditional forms of money transmission. She shared industry supports the legislation since it will reduce the regulatory burden required for companies to comply with multiple states' standards.

In response to committee questions, **Jennifer Biretz**, Supervisor Examiner, Department of Finance explained the purpose of the exemptions is to avoid duplication of existing law. She further shared the legislation seeks to regulate money transfer activity which is not currently regulated by statute. She also explained the increase in net worth requirement is based on transaction volume and is aligned with existing money transmitter requirements. Ms. Biretz shared currently, the transfer of licenses, public or otherwise, is prohibited. She also explained this legislation does not regulate lending activities, but does regulate non-bank entities.

In response to committee questions, **Ms. Perkins** explained the simplification of the legislation is due to the reduction of competing state regulations. She also shared the liability is similar to current legislation and does not include the regulation of crypto currency. Ms. Perkins also stated while the legislation normalizes regulation across state lines, it doesn't change what the department does while reducing regulatory burden. The legislation updates language and defines what is included. She explained the legislation does not reduce consumer protection and the department still has an obligation to investigate and hold entities accountable. She shared a digital currency exchange, like Coinbase, is treated like money.

In response to committee questions, **Anthony Polidori**, Deputy Director, Idaho Department of Finance explained the legislation reduces the examination supervision due to inter-state coordination. He shared the legislation has new licensing requirements. He also explained that a venture capitalist group is able to purchase companies such as Venmo, but the purchased company would still need to meet the qualifications for licensure in Idaho.

Chairman Clow shared he would like to have more time for the committee to study the legislation.

MOTION: **Rep. Ehlers** made a motion to **HOLD H 478** in committee for ten legislative days or fewer subject to the call of the Chair.

Speaking **in support** of the motion, **Rep. Crane(12)** suggested the committee make note of page 7, lines 37 and 38 to study for the next meeting.

Speaking **in support** of the motion, **Rep. Berch** explained he would like to know more about how this legislation impacts foreign countries which may be acquiring companies and what protections are in place.

VOTE ON THE MOTION: **Motion carried by voice vote.**

ADJOURN: There being no further business to come before the committee, the meeting was adjourned at 2:53 p.m.

Representative Clow
Chair

Michelle A Anderson
Secretary