

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Thursday, February 20, 2020

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Crabtree, Senators Winder, Den Hartog, Lodge, Rice, Burtenshaw, Buckner-Webb, and Nelson

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: With a quorum present, **Chairman Brackett** convened the meeting of the Senate Transportation Committee (Committee) at 1:32 p.m.

MINUTES APPROVAL: **Senator Den Hartog** moved to approve the Minutes of Tuesday, January 21, 2020. **Senator Burtenshaw** seconded the motion. The motion passed by **voice vote**.

PAGE INTRODUCTION: **Chairman Brackett** introduced the Committee page, Henry Wolthuis of Eagle, Idaho. **Mr. Wolthuis** told the Committee he was a senior at Rocky Mountain High School. He explained how passionate he was about the United States and his hopes to do Reserve Officers' Training Corps (ROTC) through Utah Valley University. His focus of study would be aviation, military science, and communications with the hope of active duty in the future.

H 411 **Chairman Brackett** introduced Ryan Fitzgerald, Northwest Credit Union Association, to introduce **H 411**. **Mr. Fitzgerald** explained that **H 411** was simple and narrowly drafted to close a loophole in the towing code. The challenge arises when a vehicle is towed or impounded but not recovered by the owner in a timely fashion. The fees that accumulate before the lienholder is notified are so significant that the owner of the vehicle is often unable to pay. **Mr. Fitzgerald** described how this leaves the lienholder with the fee payment which has negative impacts on the value of the vehicle, potentially resulting in a total loss and eventual write off of the automobile. **H 411** would provide equitable and timely notification to lienholders when a vehicle has been towed and has not be reclaimed within 72 hours, excluding weekends and holidays. **Mr. Fitzgerald** explained how this would allow the system to work equitably for all parties involved.

DISCUSSION: **Senator Burtenshaw** asked if the towing industry had been consulted during the drafting of this legislation, **Mr. Fitzgerald** answered how the towing industry was part of the discussion leading to **H 411**'s wording which was the reason the legislation was kept so narrow.

Senator Nelson wanted to know what the lienholder's remedy would be if the towing company doesn't obey these rules. **Mr. Fitzgerald** explained how there would be no additional fees, The goal was not to add difficulties for towing companies.

Senator Den Hartog asked about the privacy issues that might arise from the request being made to the Idaho Transportation Department (ITD) for the names and addresses of all persons. **Mr. Fitzgerald** answered that law enforcement has instant access to ITD's database to make notification. When a towing company needs that information they must first submit a request to ITD via fax, mail, or in person.

TESTIMONY: **T.J. Biggers**, owner of Crossroads Towing and Salvage in Nampa, Idaho, testified to represent himself and his industry. **Mr. Biggers** said that in many ways he was in agreement with the legislation. Informing lienholders faster would be good, however, there are already a lot of requirements on the industry and until ITD fixes the system that gives them the notices, towing companies cannot meet the demand. He described how the process takes time and it can take several days for those requests to be answered.

DISCUSSION: **Senators Rice** and **Buckner-Webb** pursued concerns regarding ITD's response time to towing companies and towed vehicles taking up space in a towing company's lots with uncertainty of reimbursement. **Mr. Biggers** responded with frustration for both issues and how they negatively affected a towing operation's financial bottom line.

Senator Burtenshaw spoke on his wife's family's towing business and the struggles that occur in that line of work. He explained that in Southeast Idaho when there is a heavy snow day, they're called on to tow vehicles so snow plows can get through. **Senator Burtenshaw** emphasized the difficulty for the companies to collect payment, sometimes they are left taking abandoned vehicles to the salvage yard.

TESTIMONY: **Sarah Biggers**, Legal Director of the Idaho Towing Association, introduced herself to the Committee. **Mrs. Biggers** explained to the Committee that the association agrees that timely notices are important because it helps towing companies to release more vehicles to owners and increases their profits by removing the vehicle before the impound bill gets too high. They have made processing of vehicles that go unclaimed in their yard a top priority issue. **Mrs. Biggers** presented four pages of flow charts from ITD and in response to a request from the Committee, explained them in detail. She described a new program put out by ITD called "Know Before You Tow" created for towing companies that would expedite the process involved before the notices go out. **Mrs. Biggers** closed her testimony by describing the process towing companies must go through to receive the necessary information from ITD.

DISCUSSION: In response to questions from the Committee, **Mrs. Biggers** clarified that although she and the Idaho Towing Association agree with the spirit of the law, they are not in favor of this piece of legislation. She explained that they do not see the bill accomplishing its intent.

TESTIMONY: **John Watts**, representing the Idaho Central Credit Union (ICCU), introduced himself to the Committee. He explained that, as one of the larger lienholders in the state, ICCU is in favor of this legislation. **Mr. Watts** told the Committee how this will aid in identifying towed vehicles and, when said vehicle's title is still in the ownership of the lienholder, would allow financial institutions to recover the vehicle before the fees rise too high. He urged the Committee to support the legislation while expressing that he understood concerns raised by Mr. and Mrs. Biggers.

DISCUSSION: In answer to a question from Senator Rice, **Mr. Watts** said that he did not know what in ITD caused a delay on delivery of information to the towing companies.

Mr. Fitzgerald was recognized to close his remarks on **H 411**. He explained that the issue this legislation focuses on is that the lienholders are only informed of the vehicles impoundment when the vehicle is about to be sold, at which point the fees are so high that they have eclipsed the vehicle's worth, leaving the lienholder with a loss. **Mr. Fitzgerald** said **H 411** won't correct all the problems with the towing code, but is a necessary fix.

DISCUSSION: In response to Committee members' questions, **Mr. Fitzgerald** explained the current Idaho Code with regard to notification of owners and lienholders, and said financial institutions will work with towing companies and ITD to make the process of receiving information better. **Mr. Fitzgerald** said the intent of the legislation is not to place a burden on towing companies, and that lienholders, following notification, will pick up and take possession of towed vehicles in a more timely manner..

MOTION: **Senator Rice** moved to send **H 411** to the floor with a **do pass** recommendation. **Senator Lodge** seconded the motion. The motion passed by **voice vote**. **Senator Rice** offered to carry the bill on the Senate floor.

H 345 **Representative Wintrow**, District 19, explained that she was cosponsoring **H 345** with Representative Ricks, District 34, who helped present the bill in the House Transportation Committee. **Representative Wintrow** explained that the legislation was to amend Idaho Code § 49-1806, to put definition on booting an expired or improper vehicle registration. She referenced legislation from a previous session that went through both the House and Senate dealing with booting vehicles. The original intention of that legislation had not been properly enforced by some. **Representative Wintrow** stated that she and some of her colleagues started receiving complaints from people about being booted for an expired license or registration. She mentioned the Attorney General confirmed that this bill would still allow for towing or booting for any vehicle, but not solely based on expired licenses or registrations.

MOTION: **Senator Buckner-Webb** moved to send **H 345** to the floor with a **do pass** recommendation. **Senator Nelson** seconded the motion.

TESTIMONY: **Mrs. Biggers** said the wording of **H 345** included the removal of an unregistered vehicle. She specified that towing and booting are two very different things. **Mrs. Biggers** explained that in most cases a property owner who finds a vehicle with an expired registration assumes the vehicle is inoperable. She indicated that it is an infringement on property owners to take away their right to remove an inoperable vehicle.

DISCUSSION: In responding to Committee questions, **Mrs. Biggers** explained that as a towing company they are not paid by the city to remove vehicles when they are called upon to do so. In her opinion, she believed the legislation would restrict a property owners' ability to have unregistered vehicles towed when they are on private property. Currently, towing companies are allowed to use an expired registration as a reason for towing.

TESTIMONY: **Mr. Biggers** spoke against the legislation stating that **H 345** fails to designate between booting and towing. He concluded that changing the language to specify booting only and leaving the towing aspect out would fix the issue he has with the bill.

DISCUSSION: **Senator Winder** stated that he did not understand how the city has the authority to remove cars; this legislation would allow property managers to take advantage of the situation. The issues the Legislature has heard in the past involved both booting and towing.

Representative Wintrow closed the discussion by reiterating that the purpose of the bill is to define terms. She shared that the Attorney General's opinion was that the legislation was sound.

VOICE VOTE: The motion to send **H 345** to the floor with a **do pass** recommendation passed by **voice vote**. Senator Hill would carry the bill on the Senate floor.

ADJOURNED: With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 3:04 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

Bethany Johnson
Assistant Secretary