

AGENDA
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Thursday, January 15, 2015

SUBJECT	DESCRIPTION	PRESENTER
Introductions	Welcome to the Committee	Chairman Brackett
Committee Page	Welcome Paul Kennedy , Senior at Timberline High School in Boise. He will serve the Committee during the first six weeks of the Legislative Session.	Chairman Brackett
Administrative Rules	Discuss process for reviewing this Legislative Session's Administrative Rules pertaining to Transportation.	Vice Chairman Nonini

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett
Vice Chairman Nonini
Sen Keough
Sen Winder
Sen Hagedorn

Sen Vick
Sen Den Hartog
Sen Buckner-Webb
Sen Lacey

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
Phone: 332-1332
email: stran@senate.idaho.gov

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Thursday, January 15, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb, and Lacey

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 Brackett** called the first meeting of the Senate Transportation Committee (Committee) to order at 1:30 p.m. With a quorum present, **Chairman Brackett** welcomed the returning and new members of Committee as well as the audience. He invited each Committee member and the Committee secretary to introduce themselves. Each did so by stating their legislative district and their non-legislative occupation.

COMMITTEE PAGE: Following introductions, **Chairman Brackett** invited Paul Kennedy, the Committee page for the first six weeks of the Legislative Session, to the podium to introduce himself. **Mr. Kennedy** said he was a senior at Timberline High School in Boise. He was the only member of his family born and raised in Idaho. His interests included art, literature and politics. After graduating high school, **Mr. Kennedy** said he will attend Vassar College in New York state. **Mr. Kennedy** indicated he was pleased to be a Senate page and stood for questions from the Committee.

Senator Vick asked why he chose Vassar. **Mr. Kennedy** said that his father was from New York which meant he had extended family there. He had also visited the campus during the summer, liked it and thought it would be a good fit for him.

Senator Winder asked about his enjoyment of art. **Mr. Kennedy** said he painted with oils and drew portraits in charcoal. **Senator Winder** invited him to bring some of his artwork to the Senate. There were no further questions. **Chairman Brackett** thanked Mr. Kennedy.

PASSED THE GAVEL: Chairman Brackett passed the gavel to Vice Chairman Nonini to discuss the process by which the Committee would review transportation administrative rules.

RULES REVIEW: **Vice Chairman Nonini** said there were only eight rules this year: two from the Idaho State Police (ISP), two from the Idaho Tax Commission (ITC), and four from the Idaho Transportation Department (ITD). After discussion with the Chairman, **Vice Chairman Nonini** suggested the Committee review the administrative rules one time at a hearing of the full Committee on January 20, 2015. He said experts from each of those departments would present their respective administrative rules to be reviewed. **Vice Chairman Nonini** added that the House Transportation and Defense Committee was planning to review these rules in the same manner. He asked if there were any questions.

Chairman Brackett offered that it would be more efficient for the presenters to have to appear before the Committee only once.

Senator Keough agreed with the review proposal. Her concern was with the tax rules that were being incorporated by reference. She wanted assurance that details of those documents would be included in the presentations. There were no further questions.

Vice Chairman Nonini reminded the members to bring their administrative rules packet with them to the next meeting.

**PASSED THE
GAVEL:**

Vice Chairman Nonini returned the gavel to Chairman Brackett.

ADJOURNED:

Chairman Brackett asked if there were any questions or comments from the Committee; then he asked for input from the audience. Hearing no comments, **Chairman Brackett** adjourned the meeting at 1:45 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AGENDA
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Tuesday, January 20, 2015

SUBJECT	DESCRIPTION	PRESENTER
Presentation	Pacific NorthWest Economic Region (PNWER) report on the "Harmonization of Overweight in Trucking Regulations."	Senator McKenzie
Administrative Rules	Process for reviewing Administrative Rules.	Vice Chairman Nonini
IDAPA 11 - Idaho State Police (ISP)		
Docket No. <u>11-1301-1401</u>	Pending Rule: Adopts 49 CFR Part 386, Subparts F & G only of the Federal Motor Carrier Safety Regulations (FMCSR) for interstate transportation.	Lieutenant Tim Horn, ISP
Docket No. <u>11-1301-1402</u>	Pending Rule: Provides additional exemptions from FMCSR for interstate operations of "covered farm" vehicles and for vehicles engaged in the "transportation of agricultural commodities and farm supplies."	Lieutenant Tim Horn, ISP
IDAPA 35 - State Tax Commission (STC)		
Docket No. <u>35-0105-1401</u>	Pending Rule: "Incorporate by Reference" the International Fuel Tax Agreement and the International Registration Plan.	Don Williams, STC
Docket No. <u>35-0105-1402</u>	Pending Rule: Changes to the Motor Fuels Tax Rule 110 and 311.	Don Williams, STC
IDAPA 39 - Idaho Transportation Department (ITD)		
Docket No. <u>39-0203-1402</u>	Pending Rule: Rules Governing Vehicle Dealer's Principal Place of Business	Chris Fisher, ITD
Docket No. <u>39-0310-1401</u>	Pending Rule: Rules Governing When an Overlegal Permit is Required	Regina Phipps, ITD
Docket No. <u>39-0316-1401</u>	Pending Rule: Rules Governing Oversize Permits for Non-Reducible Vehicles and/or Loads	Regina Phipps, ITD
Docket No. <u>39-0350-1401</u>	Pending Rule: Rules Governing Safety Rest Areas	Dave Jones, ITD

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett	Sen Vick
Vice Chairman Nonini	Sen Den Hartog
Sen Keough	Sen Buckner-Webb
Sen Winder	Sen Lacey
Sen Hagedorn	

COMMITTEE SECRETARY

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MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Tuesday, January 20, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey

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 Brackett** called the meeting of the Senate Transportation Committee (Committee) to order at 1:30 p.m. **Chairman Brackett** welcomed members of the Pacific NorthWest Economic Region (PNWER) delegation and asked Senator McKenzie, PNWER Incoming President, to the podium to present a PNWER working group report on regional harmonization efforts.

PRESENTATION: **Senator McKenzie** thanked the Committee and introduced members of the PNWER delegation in the audience.

Senator McKenzie said truck harmonization in moving freight throughout PNWER's jurisdiction is an important focus area for PNWER and is a function of truck configuration. Configuration refers to truck weight, length and number of axles. Idaho approves various truck configurations depending on the route. The concern in Idaho is that the infrastructure, particularly bridges, may be too old to withstand the load.

Maximum truck weights vary by state and province within the region, but with no north-south rail routes in Idaho, the State is dependent on trucks for hauling freight. An Idaho asset is the Port of Lewiston, which is the most inland seaport on the West Coast. It is a particularly effective mode of transportation because all barge and rail loads must be hauled by trucks at some point.

Given the varying transportation regulations among PNWER jurisdictions, harmonization is a challenge. Congress may have to act in order to move the process along. Idaho has two Canadian border crossings at Eastport and at Kingsgate. Canadian B-Train trailers, two trailers linked together by a fifth wheel and up to 85 feet long, are not permitted in Idaho but are allowed in other states and Canadian provinces. A-Train configuration is currently the most efficient truck trailer combination for United States/Canadian border crossings in the northwest. The Western Association of State Highway and Transportation Officials (WASHTO) is advocating legislation that supports efficient and effective transportation systems. Idaho has taken a lead and has met WASHTO's phase one requirements. Truck size and weight is a political issue that is not a focus of PNWER. **Senator McKenzie** thanked the Committee and stood for questions.

Senator Vick wanted to know the impact of big trucks on Canadian roads. **Senator McKenzie** said the big B-Train configuration with its many axles are welcomed. Studies show that there is no more stress to a roadway than smaller trucks because the weight is distributed across all the axles.

Chairman Brackett asked if the Canadian public accepts findings that bigger and heavier trucks do not cause more damage to roadways. **Senator McKenzie** said that like in the United States, the Canadian public does not accept that reasoning.

Senator Hagedorn commented on the slide that states the 129,000 pound truck is a federal cap on the interstate systems. He asked if that was true for other states but not for Idaho. **Senator McKenzie** said that states that do not have a weight cap designated are automatically capped at the 129,000 pound cap. Congressional action is needed for that to be the case in Idaho.

Chairman Brackett asked if Nevada and Utah have weight-specific legislation. **Senator McKenzie** was not certain, but Idaho has to qualify for the federal cap.

Senator Winder suggested Idaho may be grandfathered into the lower amount and the other states were grandfathered in at the higher amounts when some of the federal regulations changed on interstates.

Senator Keough recommended PNWER talk with North Idaho local officials in Bonner and especially Boundary Counties. They want to work with their Canadian partners. They have safety and road construction issues as well as problems with heavier trucks. **Senator McKenzie** said because of Idaho's mountainous terrain, it is the only partner that uses the system of truck weights based on routes. He added that there is a calculator on the Idaho Transportation Department's (ITD) website that calculates weight limits on routes. With no further questions, **Chairman Brackett** thanked Senator McKenzie for his presentation.

**PASSED THE
GAVEL:**

Chairman Brackett passed the gavel to Vice Chairman Nonini.

**ADMINISTRATIVE
RULES:**

Vice Chairman Nonini told the Committee they would be hearing all eight administrative rules. Experts would present each rule and answer questions or concerns from Committee members. **Vice Chairman Nonini** asked Lieutenant Tim Horn of the Idaho State Police (ISP) to present the first docket before the Committee.

**DOCKET NO.
11-1301-1401:**

Lieutenant Horn stated that this docket adopts 49 CFR 386.71-84 Subparts F and G, Injunctions and Imminent Hazards of the Federal Motor Carrier Safety Regulations (FMCSR). Although the Federal Motor Carrier Safety Administration (FMCSA) gives carriers many opportunities to correct safety issues, when they do not comply FMCSA can revoke a carrier's operating authority. This means the carrier is placed out of service, or they no longer have the authority to operate and are declared an imminent hazard. These carriers are most likely to cause crashes and jeopardize the safety of others on Idaho highways. Currently, Idaho does not have the authority to enforce out of service orders for imminent hazard. Idaho does not have the authority to place carriers out of service when they fail to pay civil penalties for violations of the regulations. This rule will give Idaho that authority. He asked for the Committee's support by approving the adoption of 49 CFR 386.71-84 subparts F and G allowing Idaho safety experts to stop the movement of these out of service carriers. **Lieutenant Horn** stood for questions.

Senator Hagedorn was concerned by the language on page 5, line f, and wanted to know why there was no date included. How will the Legislature be informed if the federal government makes changes to this regulation? The Committee is being asked to approve language from the current version of federal regulation, which is why he thinks the date of the version approved should be part of the rulemaking task. **Lieutenant Horn** said that federal regulation can change at any time, but this is the process followed in the past. **Senator Hagedorn** recommended that in the future when federal regulation is incorporated by reference, the date of the regulation incorporated should be included within the rule. This will ensure the version of regulation approved by the Legislature is the version that will be enforced in Idaho.

Senator Lacey suggested that if this rule is approved, a date will be placed in the parenthesis currently left blank at the end of the rule. **Lieutenant Horn** was unsure if that was correct.

Vice Chairman Nonini asked Lieutenant Horn to research this concern and provide a response to the Committee secretary for distribution.

Senator Vick offered to clarify the point by directing the Committee to page 6, Section 04, where the date of the regulation did appear.

With no further questions, **Vice Chairman Nonini** asked Lieutenant Horn to present the next docket.

**DOCKET NO.
11-1301-1402:**

Lieutenant Horn said the Moving Ahead for Progress in the 21st Century Act (MAP-21) deals with interstate agricultural transportation. It does not affect intrastate operations. On July 6, 2012, the President signed MAP-21 into law, making it effective before federal regulations were in place. All enforcement officers had to begin enforcement. Idaho has been enforcing MAP-21 since that date. FMCSA is now clarifying exemptions to MAP-21 through adopted federal regulations. FMCSA made some changes in exemptions for covered farm vehicles and extended their ability to travel under those exemptions from 100 to 150 miles. This benefits businesses and vehicles engaged in the transportation of agricultural commodities and farm supplies. A covered farm vehicle is exempt from Part 383 (Commercial Drivers License (CDL)), Part 382 (drug and alcohol testing), Part 391 Subpart E (physical qualifications), Part 395 (hours of service), and Part 396 (inspection, repair and maintenance). If the vehicle is 26,000 pounds or less (non-CDL) the exemptions are nationwide. **Lieutenant Horn** asked for the Committee's approval by adopting this docket, and stood for questions.

Senator Keough asked for the definition of a farm vehicle as referenced in this rule. **Lieutenant Horn** said it is a vehicle owned and operated by a farmer (includes employees and family members); a vehicle being used to transport either agricultural products, farm machinery, or farm supplies to or from a farm; one not being used in the operation of a for-hire motor carrier; one not carrying hazardous material of a type or quantity that requires the commercial motor vehicle (CMV) to display placards as stated in the regulations; and one being used within 150 air miles of the farmer's farm.

Vice Chairman Nonini reminded Lieutenant Horn to please clarify the question regarding the effective date of a federal publication incorporated by reference into an administrative rule before the Committee votes on the rules. **Senator Hagedorn** added that there are no dates on the other federal regulations referenced and wanted to start the process of adding dates to rules that incorporate federal regulations by reference. **Lieutenant Horn** agreed to send that information.

**DOCKET NO.
35-0105-1401:**

Vice Chairman Nonini welcomed Don Williams, Tax Policy Specialist for the Idaho State Tax Commission (STC), to present the first of two tax rules. **Mr. Williams** began his testimony by presenting a negotiated rulemaking report of activity in 2013 and 2014.

Mr. Williams introduced this docket as covering three non-negotiated rules that were added or amended at the request of Idaho's Office of the Administrative Rules Coordinator. The changes were made so the Motor Fuels Tax rules would conform with the requirements of the Idaho tax rules. Rule 001 is the Title and Scope rule. It is required of all rules, but was inadvertently missed when the Motor Fuels Tax rules were written. It gives the name of the rules that include the Motor Fuel Tax in Chapter 24, Title 63; portions of the Petroleum Clean Water Trust Fund in Chapter 49, Title 41; and portions of Motor Vehicle Registration in Chapter 4, Title 49. Rule 004 is amended from the Public Records Compliance Act rule and is incorporated by reference here. Rule 330 was the original rule that incorporated portions of the Income Tax Act. Rule 006 is added as the new Public Records Compliance Act rule after moving it from Rule 004. In addition to moving the rule, the International Fuel Tax Agreement (IFTA), as revised on January 20, 2013, and the International Registration Plan (IRP), as revised on July 1, 2013, are being incorporated by reference. **Mr. Williams** stood for questions.

Senator Lacey thought the rule implied (on page 13, under a. Motor Fuels Tax) that the State wants to collect tax on all motor fuels. **Mr. Williams** agreed but said there were exemptions required by IFTA. As a sovereign jurisdiction, Idaho can determine when fuel is going to be taxed and at what rate. With no further questions, **Vice Chairman Nonini** asked Mr. Williams to present the next docket.

**DOCKET NO.
35-0105-1402:**

Mr. Williams said that negotiated rules Rule 110 and Rule 311 both deal with IFTA which is an agreement between the 48 continental states and 10 Canadian provinces. IFTA simplifies the reporting of fuel use taxes by interstate motor carriers. It significantly reduces the paperwork and standardizes the reporting of fuel use taxes. It also requires the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 to promote interstate commerce by instituting a base jurisdiction concept, by maintaining jurisdiction sovereignty over tax rates and exemptions, and by applying uniform vehicle definitions.

To help simplify a complicated process, **Mr. Williams** shared an explanation of how IFTA works. When a trucker purchases fuel, the tax he pays is put into a bank. As the truck travels among other jurisdictions, the money in the bank is spent. The amount spent depends on the tax rates and miles traveled in the other jurisdictions. At the end of each quarter, the tax paid and miles traveled are reconciled. The result of the reconciliation is either a refund of tax or additional tax due.

The purpose of IFTA is to allow a trucker to license and pay tax to one state. This is the trucker's base state. The trucker's base state would disburse the tax to other states when tax is due, which is based on the reports filed by the trucker. The advantage to the trucker is that he would file one return instead of up to 58, and he could be audited by one state instead of up to 58. Each state benefits because they process fewer returns and perform fewer audits, which saves money. In Idaho, the STC nets the quarterly returns for the approximately 3,300 Idaho IFTA licensees and either pays other jurisdictions tax due or collects a refund depending on the Idaho IFTA licensees' travel report.

Negotiated Rule 110 deals indirectly with IFTA. The Commission began working on amending this rule in 2013. The industry was directly involved in writing it. Some members of industry would prefer some of the changes in statute rather than by rule. The Commission has interpreted the directive in Idaho Code § 63-2424(1) as instruction from the Legislature to fix the volume of gaseous fuels and apply the motor fuel tax on that volume based on the equivalent energy of a gallon of gasoline. The Commission could not propose the change in statute that industry requested.

The rule change is required because an IFTA ballot was passed (effective July 1, 2015) requiring all states to report Compressed Natural Gas (CNG) in a gas gallon equivalent (GGE) measurement. Idaho Code § 63-2442A(9) requires that all motor fuel tax rules conform to IFTA. This rule change is necessary to conform with IFTA. It is important to note that the change is required on the reporting volume and not on the tax rate. Idaho Code § 63-2424(1) requires that gaseous fuels be taxed on the energy equivalent of one gallon of gasoline. IFTA, Article I, Section R130, says that all IFTA jurisdictions retain the right to determine their own tax rates.

Negotiated Rule 311, dealing directly with IFTA, was presented in one open meeting and received limited comment; additional comments were solicited. The most negative comment came from the American Trucking Association (ATA) who said that, in general, states are beginning to require IFTA license bonds with good success.

The rule is required to explain how IFTA license bonding will work and to allow waivers of IFTA license bonds. IFTA and Idaho Code § 63-2442A(2) allow Idaho to require bonds for an IFTA license under certain circumstances. Some portions of the agreement need further explanation for the IFTA license bonding to work properly. IFTA license bonds are only required under certain circumstances, for example if documents are not filed timely. If returns are filed and/or taxes are paid late on three or more occasions during a three year period, the Commission has determined it constitutes "failing to file timely." In addition, the Legislature allowed a fuel distributor the option of requesting a bond waiver in Idaho Code § 63-2428(1), line 9. A procedure for requesting a waiver is included in this rule, but IFTA is silent on bond waivers. Under this rule, a bond may be required of approximately 1 percent of the current IFTA licensees or about 33 of the over 3,000 licensees. Because Idaho is their base State, if any of those licensees default on their taxes owed to Idaho or to other IFTA jurisdictions, Idaho is responsible for the unpaid tax. Idaho would lose any tax money owed to it and any tax owed to any other jurisdictions. **Mr. Williams** concluded his testimony by referring the Committee to a natural gas conversion chart located within the rule. **Mr. Williams** stood for questions.

Chairman Brackett asked if the conversion chart was revenue neutral. **Mr. Williams** responded that it was and explained why.

Senator Hagedorn referred to page 17, Section 311, Dealing with Bonding, and asked if this had been adopted in Idaho Code. **Mr. Williams** said this was a new rule. **Senator Hagedorn** said he did not recall legislation dealing with IFTA license bonding and wondered if this rule was adopting this section of IFTA. **Mr. Williams** referred to Idaho Code § 63-2442A. He said that if IFTA and Idaho Code disagree, then IFTA prevails. IFTA Article 40 says the base jurisdiction of a licensee may post a bond; the Deputy Attorney General concluded that because of this article, a bond could be posted. **Senator Hagedorn** raised concerns over this process in bonding where Idaho Code does not allow a bond, but IFTA does allow one. **Mr. Williams** said that Idaho Code does not state that an IFTA license may be bonded. It leapfrogs from statute to IFTA. He said he would prefer having that language in statute, but that would be a duplication because it is already

allowed in IFTA which Idaho has incorporated by reference. **Senator Hagedorn** said he did not agree with placing issues outside of Idaho Code into regulations because in this case the process does not allow input from Idahoans on the bonding issue. IFTA allows something that Legislators have not likely read, but it is still read into Idaho regulations.

Vice Chairman Nonini agreed that Senator Hagedorn made a good point. With no further questions, **Vice Chairman Nonini** invited Chris Fisher of ITD to present the next docket.

**DOCKET NO.
39-0203-1402:**

Ms. Fisher said she represented the Dealer Licensing Section of the Division of Motor Vehicles of ITD. The purpose of this rule change is to further define Idaho Code § 49-117(15) to clarify the term "reasonable times" by adding a section for "declared business hours." This addition requires a vehicle dealership to declare their regular business hours which will provide their customers and ITD a time frame of when the dealership is available to be contacted. The rule change specifies that these hours will be no less than 20 hours per week for retail dealers and at least 4 hours per week for wholesale dealers. A portion of those hours must be during the hours of 8:00 a.m. to 5:00 p.m., Monday through Friday.

The rule change also adds details related to the Idaho Consumer Asset Recovery (ICAR) Fund which was enacted during the 2013 Legislative Session. It provides that all dealers, unless otherwise exempt, will pay into the ICAR Fund and that the fee will be set by the ICAR Board annually. There are other minor changes. Liability insurance and surety bond requirements are moved to general provisions. The rule specifies that a surety bond is needed for the first three years after a dealership is initially licensed.

Upon legislative approval, this rule will go into effect at the end of this Legislative Session. **Ms. Fisher** said she would stand for questions.

Senator Vick wanted to know why it was necessary for automobile dealers to declare their business hours. **Ms. Fisher** said that the requirement has been implied for years; it provides clarification for wholesale dealers in particular. Wholesalers travel to auctions and conduct business outside their offices making them not readily available. Retail dealers are not really affected. **Senator Vick** asked what the reaction was from dealers on this rule change. **Ms. Fisher** said the reaction was positive and the Dealer Advisory Board had approved this change.

Vice Chairman Nonini asked if ITD had received any written comments from dealers. **Ms. Fisher** said they received none.

With no further questions, **Vice Chairman Nonini** thanked Ms. Fisher and invited Regina Phipps of ITD to the podium to present the next docket.

**DOCKET NO.
39-0310-1401:**

Ms. Phipps introduced herself as ITD's Vehicle Size and Weight Specialist. This proposed rule change was a request from the industry. It adds wording that will allow a self-propelled vehicle to haul a motorized vehicle on a trailer. It also allows the towing of a motorized vehicle for the return trip after delivery of the self-propelled vehicle. No hearings were requested nor did ITD receive any comments. **Ms. Phipps** stood for questions.

There being no questions, **Vice Chairman Nonini** asked Ms. Phipps to present the next docket.

**DOCKET NO.
39-0316-1401:**

Ms. Phipps said that as requested by the industry, the proposed change to this docket adds a permit type to Administrative Rule 39.03.16. It allows kiln lumber stacks to be hauled side-by-side and to exceed 8 feet, 6 inches wide, but they cannot exceed 9 feet, 3 inches. It specifically affects the half mile stretch of State Highway 3. No hearings were requested nor did ITD receive any comments. **Ms. Phipps** stood for questions.

RULE 39(H):

Senator Keough disclosed that she may have a conflict of interest with this rule because of the nature of her employment outside the Legislature.

Senator Keough inquired whether county commissioners had been notified of this rule change. **Ms. Phipps** said local officials were notified but ITD received no comments.

Senator Winder asked if State Highway 3 was the only highway impacted by this rule. **Ms. Phipps** said it was the only highway affected, but it is not specifically mentioned in the rule. **Senator Winder** said if there is a concern about a specific width, then the specific highway should be mentioned; otherwise, if another highway matches the description there will be no evaluation to determine if hauling that width on that highway is safe. **Ms. Phipps** said this specific width of 9 feet, 3 inches is the maximum allowed, if the width is more it would have to be evaluated separately. She said that this rule is in keeping with how other rules have been handled.

Vice Chairman Nonini thanked Ms. Phipps and invited Dave Jones of ITD to the podium to present the last docket.

**DOCKET NO.
39-0350-1401:**

Mr. Jones introduced himself as ITD's Chief Engineer. This pending rule more clearly defines "soliciting" and "fireworks" as requested by the Legislature last year. This rule also increases the occupancy time limits at rest areas to comply with federal law concerning rest times for commercial vehicle operators. No hearings were requested nor did ITD receive any comments. **Mr. Jones** stood for questions.

Vice Chairman Nonini noted that there were no questions. He remembered the discussion over this rule from the last legislative session. **Vice Chairman Nonini** thanked Mr. Jones and explained to the Committee that a vote on each rule would be taken up at a future meeting.

**PASSED THE
GAVEL:**

Vice Chairman Nonini returned the gavel to Chairman Brackett.

ADJOURNED:

Chairman Brackett thanked the Committee and Vice Chairman Nonini for his hard work on the administrative rules. With no additional comments from the Committee, **Chairman Brackett** adjourned the meeting at 2:53 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

JOINT
**SENATE TRANSPORTATION COMMITTEE
AND
HOUSE TRANSPORTATION & DEFENSE COMMITTEE**
1:30 P.M.
Auditorium (WW02)
Thursday, January 22, 2015

SUBJECT	DESCRIPTION	PRESENTER
PRESENTATION	Annual Report and Update from the Idaho Transportation Department	Brian Ness , Director, Idaho Transportation Department
PRESENTATION	Report from the Idaho Transportation Board	Jerry Whitehead , Chairman, Idaho Transportation Board

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett

Vice Chairman Nonini

Sen Keough

Sen Winder

Sen Hagedorn

Sen Vick

Sen Den Hartog

Sen Buckner-Webb

Sen Lacey

COMMITTEE SECRETARY

Gaye Bennett

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MINUTES
JOINT MEETING
SENATE TRANSPORTATION COMMITTEE
HOUSE TRANSPORTATION & DEFENSE COMMITTEE

DATE: Thursday, January 22, 2015

TIME: 1:30 P.M.

PLACE: Auditorium (WW02)

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Vick, Den Hartog and Lacey

Chairman Palmer, Vice Chairman Shepherd, Representative(s) Wills, Bateman, Gestrin, Hixon, Kauffman, Packer, Youngblood, McDonald, Dixon, Harris, Holtzclaw, Monks, King, Rudolph and Wintrow

ABSENT/ EXCUSED: Senators Winder, Hagedorn, Buckner-Webb and Representative Wills

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 Brackett** welcomed Chairman Palmer, members of the Senate Transportation Committee and House Transportation and Defense Committee (Committees), and the audience to the first joint meeting of the two Committees. He thanked the Idaho Transportation Board (ITB) for making themselves available as well as leaders of the Idaho Transportation Department (ITD). **Chairman Brackett** said the Committees would be hearing presentations from ITD's Director, Brian Ness and from ITB's Chairman, Jerry Whitehead. He asked Director Ness to take the podium for his presentation.

PRESENTATION: **Director Ness** thanked the Committees for this opportunity, the ITB members for their leadership, and the Governor and his staff. **Director Ness** outlined his four-part presentation as: (1) an overview of the Governor's budget recommendations; (2) how ITD has improved; (3) results of those improvements; and (4) ITD's focus in 2015.

The Governor's fiscal year (FY) 2016 budget base amount for ITD was \$464 million, with 1,724 full-time positions (FTP). Including adjustments, 6 line items, and debt service, the total was \$555.5 million. Eighty-eight percent of ITD's funding goes to the highway system, paying for highway operations, contract construction, and debt service for critical projects that ITD works to accelerate.

ITD requested reducing FTPs by 28 in order to use those funds for a pilot program for transportation technicians. They make up one-third of ITD's workforce. Transportation technicians plow ice and snow on highways in the winter and inspect construction projects in the summer. They make 16 percent less than what surrounding states pay, and 21 percent below what Idaho's counties pay. Being able to pay employees based on their skill levels will keep ITD from losing them to higher-paying agencies. It will also encourage them to continue improving their job skills. The funds from reducing FTPs will also allow ITD to refill positions when necessary.

When adjusting staffing levels, ITD first cuts staff by more than what is necessary. ITD then uses performance measures to gauge what the optimum staffing level should be. **Director Ness** said ITD will slowly bring FTPs back in and improve processes until they reach the right balance. Staffing adjustments have been made throughout ITD. They found that the most efficient staffing level almost always results in fewer employees. Employee-driven innovations have produced better service to the taxpayers and helped ITD reduce their FTP count. Most state transportation departments are focused on retaining positions more than on making the most effective use of their resources. They fill positions as soon as they become vacant. ITD thrives on innovation. Removing 28 positions and retaining the funds does two things: (1) it allows ITD to increase the training and skills of their employees; and (2) as employees improve their skills and abilities, it allows ITD to pay them accordingly.

The Moving Ahead for Progress in the 21st Century Act (MAP-21) was a two-year federal bill that expired last September but was extended. The Federal Highway Trust Fund can no longer operate after May 31 unless Congress acts to provide sufficient funding. MAP-21 has an average annual shortfall of \$15 billion. Money has been taken from the federal general fund to make up the difference. To resolve the shortfall, Congress will either have to raise revenue, reduce funding to the states, or develop a combination of the two. MAP-21 has reduced Idaho's federal funding by \$20 million per year. If Congress does not increase revenue, Idaho's federal funding could be cut by as much as an additional \$100 million annually, or nearly one-third of ITD's federal funding.

Idaho last increased the user fee on fuel in 1996. At that time, State funds made up 54 percent of ITD's total revenue; today that is reversed, 54 percent of ITD's funding comes from the federal government. The national average for federal transportation funding is 24 percent. Idaho is growing more reliant on federal money for roads and bridges, but federal funds come with many strings. A 2014 Pew report ranks Idaho as one of the states most heavily reliant on federal transportation revenue. Federal transportation dollars are a political football with large urbanized states pushing to get a larger portion of the Federal Highway Trust Fund. These are primarily "donor" states. The result will be fewer dollars for rural "donee" states, like Idaho. That is not a good scenario for the State's economy.

Since Director Ness arrived at ITD in 2010, he has focused on changing the culture and structure of the agency. First ITD was realigned from top to bottom, including: (1) reducing the layers of supervision from 9 layers to 5; (2) eliminating 62 positions that only supervised one employee; (3) improving customer service; and (4) clearly defining the role of each layer of the organization. Supervisory control increased from an average of 3 employees to between 8 and 10. Accountability and communications were improved. Even with fewer people, ITD's employees have increased their performance and the service they provide taxpayers. Realignment made ITD more efficient, and it was so innovative and successful that it won the President's Award for Administration from the American Association of State Highway and Transportation Officials (AASHTO).

The next step was to work on ITD's passive work culture. A survey was conducted to measure ITD's work culture in order to improve it. The goal was to become more innovative and constructive while incorporating more teamwork. Every employee's performance is measured against the strategic plan. Employee-driven innovation is actively encouraged.

Restructuring placed more people on the front lines and put decision making closer to where the work is being done. These two actions created a wave of employee-driven innovations in equipment and processes. Many of the innovations have won State and national awards for excellence. Measuring performance makes ITD more efficient and accountable.

ITD improves safety when it straightens out a road curve, adds a passing lane, or designs a new bridge. In 2013, Idaho had 20 percent fewer highway fatalities than in 2006, despite a 4 percent increase in miles traveled annually. Idaho's fatality reduction is the third best in the nation. Grant Anticipated Revenue Vehicle (GARVEE) projects show much higher reductions in crashes and fatalities than the statewide average. Investments made modernizing highway design possible. ITD has developed a program to analyze and prioritize Idaho's transportation corridors. The program was so innovative that it won the National Roadway Safety Award in 2013. Transportation investments also improve mobility, which is tied to predictability. Idaho-based companies rely on ITD to provide a predictable highway system to keep Idaho's economy moving.

Innovation has improved ITD's budget management by saving \$40 million through restructuring payments on bonds. In the last five years, ITD created \$39.5 million in salary savings through its award-winning realignment. Because of those innovations, an additional \$180 million worth of projects have been added to the five-year plan. ITD selects projects based on the impact they will have on system condition, safety, and the State's economy. ITD's unique project-selection process helped achieve Governor Otter's Project 60 goals and will play a big role in achieving the goals of his Accelerate Idaho program. ITD works closely with the departments of Commerce, Labor, Agriculture, and the Idaho State Police to develop tools to measure and maximize the impact of its investments.

ITD measures performance to make sure those innovations work. For example, in 2010, ITD delivered 60 percent of project designs on time. In 2014, ITD delivered 92 percent on time by measuring performance and making improvements where needed. In 2015, all designs will be delivered in April. By turning in an additional year's worth of projects, ITD will accelerate project due-dates by one full year. If additional revenue becomes available, ITD will have projects ready to go. In 2014, ITD provided excellent and ever-improving services to taxpayers and to the businesses that drive Idaho's economy.

In addition to the successful initiatives already underway and going strong, ITD has three focus areas in 2015: (1) continuous improvement; (2) employee development; and (3) infrastructure needs.

ITD will focus on making continuous improvements, including: (1) using innovative business practices; (2) putting even more decisions closer to where the work is being done; and (3) moving the needle forward on all ITD performance measures.

Employee development is important because ITD is in the midst of losing 50 percent of its employees in a five-year period, as is every transportation department in the country. It is a result of the interstate construction era of the 1950s and 1960s where transportation departments across the country hired people to design, build, and maintain the new interstate system. The first wave began to retire in the late 1970s and early 1980s. The second wave has already begun as those hired to replace retirees of the 1970s and 1980s are now beginning to retire. Before replacing them, ITD needs to know what job skills are required to meet Idaho's future transportation needs. Pay will be an important factor in attracting and retaining highly qualified employees. ITD's future workforce will not look the same way it has for the past 60 years. It will be smaller, more highly skilled, and motivated.

ITD's third and perhaps most important focus area is addressing Idaho's infrastructure needs. Idaho does not have enough funding to support the needs of an aging system. Idaho's transportation system is vital to the State's economy and future, and will help determine the pace and extent of Idaho's economic growth. The Governor's Task Force on Modernizing Transportation Investments found that Idaho has a \$543 million annual shortfall in transportation funding. Of that, \$262 million is needed annually just to preserve the system in the condition it is in today. Funding is a challenge. In 1996, Idaho's gas tax was set at 25 cents per gallon. Today, nearly two decades later, it is still 25 cents. It has not kept pace with the economy and adjusted for inflation; it only has the buying power today of 17 cents.

Director Ness continued that Idaho's infrastructure has many needs. Idaho's bridges are well designed and have stood the test of time, but they were designed to last 40 to 60 years. At the rate Idaho currently funds its bridges, they must last 120 years. The older a bridge gets, the more expensive it is to maintain it in good condition. Idaho has hundreds of old bridges. Each is an impediment to the State's economy. ITD is working hard to replace as many bridges as they can with current funding. Between 2014 and 2019, ITD will replace 87 bridges with another 147 bridges reaching the 50 year mark. In 2019, 908 (nearly half the bridges in the state highway system) will be more than 50 years old.

Idaho's pavements are also aging. Depending on traffic loads and weather, a new highway will last approximately 20 years, but only if it is well maintained. ITD develops a maintenance program for each highway in order to extend pavement life as long as possible. But all roads must eventually be rebuilt from the ground up. The federal stimulus program temporarily increased the condition rating of Idaho's highways. That program has ended and pavement condition is once again deteriorating. AASHTO found that for every \$1 invested when the system is in good condition, spending \$6 to \$14 to repair or replace infrastructure in poor condition is avoided. If no action is taken, at a \$14 cost in the future ITD's annual \$262 million shortfall increases to \$3.6 billion per year. By deferring maintenance at today's lower costs the rapidly growing debt is being passed on to Idaho's children and grandchildren.

As stewards of Idaho's roads and bridges, ITD has to balance revenue with the daily cost of doing business. State revenue is being outpaced by inflation. ITD's buying power has decreased 26 percent since 1996. Vehicles are much more fuel efficient allowing drivers to travel many more miles on one gallon of gas than they could in the past. The more miles driven, the more wear and tear on the roads, but drivers still pay only 25 cents per gallon. ITD's cost trends show employee recruitment and retention costs are soaring, diesel has tripled in price, and the cost of snow plows has more than doubled since 1996. ITD is being squeezed between a revenue shortage and ever-increasing costs.

Idaho's economy is turning around. To sustain this improvement Idaho must begin reinvesting in transportation. Stable infrastructure will grow the economy as well as reducing crashes and fatalities. Eliminating the \$262 million annual shortfall will remove all restricted bridges within 10 years. This is important because restricted bridges impede commerce.

ITD had many great accomplishments in 2014 that are just the beginning of greater things to come. **Director Ness** said he was confident that through the vision of the Governor, the Legislature, the ITB, and the hard work of its employees, ITD will better serve the transportation system users and become the best transportation department in the country. **Director Ness** thanked the Committee and stood for questions. The complete presentation will be on file in the Legislative Services Office library following Sine Die.

Representatives Holtzclaw, King, Hixon and McDonald and **Chairman Brackett** and **Senator Nonini** directed questions and comments about the presentation directly to **Director Ness** who responded to each satisfactorily. When there were no more questions for Director Ness, **Chairman Brackett** thanked him and welcomed ITB Chairman Jerry Whitehead to the podium to begin his presentation.

PRESENTATION: **ITB Chairman Whitehead** thanked the Committees and explained ITB's role overseeing ITD. Among the handouts is a memorandum from ITB to the Legislature outlining the challenge ahead on Idaho's surface transportation system with emphasis on the impact of inflation and reduced Federal Highway Trust Fund revenues. To present the data of his presentation, "ITD Infrastructure and Revenue Trends with Buying Power", **ITB Chairman Whitehead** introduced two experts from ITD, Blake Rindlisbacher, Engineering Division Administrator and Dave Tolman, Controller. ITB Chairman Whitehead turned the podium over to them.

The two presenters reviewed each slide discussing the history of investment in ITD's infrastructure system. In particular they addressed the system's condition, ITD trends, and the Federal Highway Trust Fund status. The components of State funding trends were explained. They consisted of a brief history of Idaho's fuel tax and the difference between the State Highway Account and the Highway Distribution Account. ITD's buying power is driven by changes in State funds, federal funds and the impact of specific items (e.g., fuel tax rate, consumer price index, construction cost index, asphalt pavement cost, concrete cost, steel rebar cost, bridge costs, and ITD vehicle costs). The complete presentation and memorandum will be on file in the Legislative Services Office library following sine die.

ITB Chairman Whitehead returned to the podium to thank the Committees and he stood for questions. With no questions from the Committees, **Chairman Brackett** invited ITB Chairman Whitehead to deliver his closing remarks. **ITB Chairman Whitehead** reiterated that \$543 million is the annual shortfall and what ITD needs; \$262 million is needed just to preserve the existing system. He emphasized that for safety, ITD's infrastructure shortfall needs to be addressed. He again stood for questions.

Representatives McDonald and King and **Senator Nonini** directed questions and comments about the presentation to **Mr. Tollman** and **Director Ness** who responded to each.

Chairman Palmer asked what percentage of savings would Idaho get if there were no federal regulations. **Director Ness** said it was difficult to determine, but he guessed it would be somewhere around 62 cents on the dollar.

ITB Chairman Whitehead thanked the Committees for the opportunity to present these reports. **Chairman Brackett** responded that their presentation was one the Committees look forward to each year.

ADJOURNED: With no further business before the Committees, **Chairman Brackett** adjourned the meeting at 2:45 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AGENDA
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Tuesday, January 27, 2015

SUBJECT	DESCRIPTION	PRESENTER
MINUTES	Approve the minutes of the January 15, 2015 Committee meeting.	Vice Chairman Nonini and Senator Keough
<u>RS23317</u>	Provides a mechanism to recover the cost of relocating telecommunication facilities.	Jim Clark , Frontier Communications
<u>RS23199</u>	Revises certain bond requirement provisions to motor vehicle dealers.	Chris Fisher , Idaho Transportation Department
<u>RS23221</u>	Implements new Commercial Driver's License testing and Commercial Learner's Permit standards.	Ed Pemble , Idaho Transportation Department
Docket No.	Vote on Administrative Rules previously heard at the January 20, 2015 Committee meeting.	Vice Chairman Nonini
<u>11-1301-1401</u>	IDAPA 11 – Idaho State Police	
<u>11-1301-1402</u>	IDAPA 11 – Idaho State Police	
<u>35-0105-1401</u>	IDAPA 35 – State Tax Commission	
<u>35-0105-1402</u>	IDAPA 35 – State Tax Commission	
<u>39-0203-1402</u>	IDAPA 39 – Idaho Transportation Department	
<u>39-0310-1401</u>	IDAPA 39 – Idaho Transportation Department	
<u>39-0316-1401</u>	IDAPA 39 – Idaho Transportation Department	
<u>39-0350-1401</u>	IDAPA 39 – Idaho Transportation Department	

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett	Sen Vick
Vice Chairman Nonini	Sen Den Hartog
Sen Keough	Sen Buckner-Webb
Sen Winder	Sen Lacey
Sen Hagedorn	

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
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MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Tuesday, January 27, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey

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 Brackett** called the meeting of the Senate Transportation Committee (Committee) to order at 1:30 p.m. and welcomed everyone to the meeting. The first agenda item was approving Minutes.

MINUTES: **Vice Chairman Nonini** moved to approve the Minutes of the January 15, 2015 meeting. **Senator Vick** seconded the motion. The motion passed by **voice vote**.

RS 23317: **Chairman Brackett** invited Jim Clark of Frontier Communications to take the podium to present **RS 23317**. **Mr. Clark** stated that this legislation is the second step in recovering the cost of relocating telecommunication facilities. In 2010, Frontier Communications purchased Verizon's landline facilities located throughout the State. The issue of relocation costs surfaced, and in 2009, S 1097 passed the Legislature. That bill addressed the problem of mandated relocation costs. **RS 23317** provides a mechanism to recover the cost of relocation. **Mr. Clark** said that relocation policy has been in Idaho Code for six years and it is time to reimburse affected businesses. He thanked the Committee and stood for questions.

Before calling for questions, **Chairman Brackett** reminded the audience this was a print hearing and questions would come from Committee members only. Testimony from the public would be taken if the legislation is heard at a later date.

Senator Hagadorn asked if there had been discussion with other utilities about this legislation. **Mr. Clark** said only the concept, not the specific legislation had been discussed.

Senator Lacey wanted to know why the legislation only asks for 75 percent of the relocation costs be reimbursed. **Mr. Clark** explained they are asking for 75 percent because they have a surcharge of 25 cents per line which pays about 85 percent of those costs. The cost was nearly \$1 million per year for his client. **Senator Lacey** asked why the legislation is only for telecommunications. **Mr. Clark** said the fiscal note would be high, and they want to keep costs down initially.

Senator Vick offered a comment. He believes that other utilities can recover their costs in their rates while telecommunications cannot because they are no longer regulated.

MOTION: **Senator Vick** moved to print **RS 23317**. **Senator Hagedon** seconded the motion. The motion passed by a **voice vote**.

RS 23199:

Chairman Brackett welcomed Chris Fisher of the Idaho Transportation Department's (ITD) Dealer Licensing Program to present **RS 23199**. **Ms. Fisher** said this legislation amends Idaho Code § 49-1608 by changing a wholesale dealer's surety bond requirement. During the 2013 Legislative Session, the Idaho Consumer Asset Recovery (ICAR) Fund was created to increase protection for Idaho consumers purchasing vehicles from licensed retail vehicle dealers. Wholesale dealers are not licensed to sell vehicles to individual customers, which means their buyers are not covered under the provisions of the ICAR Fund. In order to increase protection for those customers, it has been recommended by the Idaho Dealer Advisory Board that the current \$20,000 surety bond be increased to \$40,000. This amendment also exempts wholesale dealers from participating in the ICAR Fund. If adopted, this proposal will increase consumer protection for a larger group of automobile purchasers. **Ms. Fisher** thanked the Committee and stood for questions.

Senator Vick asked what was the cost of a \$40,000 bond. **Ms. Fisher** said it depended on the applicant's credit rating. A \$20,000 bond cost about \$125 for an applicant with a good credit rating, but she wasn't sure about the pricing as the amount of the bond increased. She also added that she believed more background information was required of the applicant. **Ms. Fisher** said she would get him more information.

Senator Hagedorn wanted to know if the wholesalers or retailers were recommending this legislation. **Ms. Fisher** said the recommendation came from the Dealer Advisory Board as well as other dealer associations.

MOTION:

Senator Winder moved to print **RS 23199**. **Senator Hagedorn** seconded the motion. The motion passed by a **voice vote**.

RS 23221:

Chairman Brackett welcomed Ed Pemble, ITD's Drivers Services Manager, to present **RS 23221**. **Mr. Pemble** said this legislation's primary purpose is to implement new Commercial Driver's License (CDL) and Commercial Learner's Permit (CLP) standards as well as associated knowledge and skills testing standards. This is similar to the unsuccessful legislation ITD brought last year in S 1306.

The differences between last year's bill and this legislation is: (1) the 14-day CLP holding period prior to skills testing was removed; (2) the fiscal impact to implement is higher and the costs cannot be shared with other changes; (3) the effective date has been moved to July 8, 2015 to accommodate the new deadline set by the Federal Motor Carrier Safety Administration (FMCSA); (4) the wording of this legislation avoids conflicts with current statutes; and (5) a section has been added to address specific implementation date language in order to remove duplication in Idaho Code. **Mr. Pemble** thanked the Committee and stood for questions.

Senator Nonini commented that he appreciated ITD's work to clean up this legislation.

MOTION:

Vice Chairman Nonini moved to print **RS 23221**. **Senator Winder** seconded the motion. The motion passed by a **voice vote**.

**PASSED THE
GAVEL:**

For the purpose of voting on administrative rules, Chairman Brackett passed the gavel to Vice Chairman Nonini.

Vice Chairman Nonini reminded the Committee that each of the eight administrative rules brought before the Committee were presented and reviewed at a previous meeting. The Committee would now have an opportunity to accept, reject or partially reject each of them.

**DOCKET NO.
11-1301-1401:**

Vice Chairman Nonini asked if there were any more questions or discussion on this Idaho State Police (ISP) docket.

Lieutenant Horn of ISP stood to be recognized. Although he would like this docket approved, after further review and discussion with Dennis Stevenson, Idaho Administrative Rules Coordinator, ISP found issues with the rule that need to be addressed.

Mr. Stevenson said that there was a problem with the way the incorporation by reference was presented on page 5, subpart 4. This docket and **Docket No. 11-1301-1402** should have been combined into one docket. The incorporation by reference as written is not actually incorporated according to procedures. **Vice Chairman Nonini** asked for a recommendation on how to deal with these dockets and asked if ISP was withdrawing them. **Mr. Stevenson** suggested the Committee approve both dockets. ISP will then write a temporary rule to fix the problem. The rest will remain accepted. **Senator Winder** asked if the Committee should reject or accept the dockets. **Mr. Stevenson** said if the dockets are approved, the temporary rule will fix the problem and the Committee will not have to deal with the parts of the dockets without issues again. **Senator Hagedorn** asked if the docket could be amended by the Committee. **Mr. Stevenson** said that was not an option.

MOTION:

Senator Winder moved to accept **Docket No. 11-1301-1401**. **Senator Hagedorn** seconded the motion. The motion passed by **voice vote**.

**DOCKET NO.
11-1301-1402:**

Lieutenant Horn said that everything in this docket was correct.

MOTION:

Senator Winder moved to accept **Docket No. 11-1301-1402**. **Senator Buckner-Webb** seconded the motion. The motion passed by **voice vote**.

Senator Winder asked to be excused from the Committee in order to attend a leadership meeting.

**DOCKET NO.
35-0105-1401:**

Vice Chairman Nonini asked if there were any more questions or discussion on this Idaho State Tax Commission (STC) docket. Hearing none, **Vice Chairman Nonini** called for a motion.

MOTION:

Senator Keough moved to accept **Docket No. 35-0105-1401**. **Senator Hagedorn** seconded the motion. The motion passed by **voice vote**.

**DOCKET NO.
35-0105-1402:**

Vice Chairman Nonini asked if there were any more questions or discussion on this docket.

Senator Hagedorn questioned the changes to pages 17 and 18, Section 11. He said there was no authorization in Idaho Code and would like to work with STC to draft legislation that would include the necessary language. He thought the Committee should wait to act on this docket until such authorization is in Idaho Code.

Senator Vick agreed that if there is a deficiency in Idaho Code, the Committee should wait to approve this docket.

Don Williams, STC's Tax Policy Specialist, stated that Idaho Code states if there is a difference between the International Fuel Tax Agreement (IFTA), that is currently incorporated by reference, and language in Idaho Code, then IFTA's language would prevail. He argued that was the authorization.

Senator Hagedorn reiterated that legislation was needed to remedy what he saw as a problem.

Chairman Brackett called on Mr. Stevenson for clarity. **Mr. Stevenson** said that statute should precede a rule; the IFTA default is not preferred to legislation.

MOTION: **Senator Hagedorn** moved to hold **Docket No. 35-0105-1402** for time certain based on the outcome of legislation. **Senator Lacey** seconded the motion
Senator Keough asked for more information about the proposed legislation. **Senator Hagedorn** suggested that draft legislation would take the IFTA language and incorporate it into Idaho Code.

The motion passed by **voice vote**. **Senator Keough** asked to be recorded as voting against the motion.

DOCKET NO. 39-0203-1402: **Vice Chairman Nonini** welcomed Robert Petersen, a Boise retail automobile dealer representing the Governor's Advisory Board and the Idaho State Independent Auto Dealer Association (Association), to the Committee to offer testimony supporting this docket.

Mr. Petersen said this rule had been discussed at length and was supported by the Governor's Advisory Board and the Association, which represents 300 used car dealers throughout Idaho. He presented the rule as being a consumer protection tool. A used vehicle is a huge purchase for many consumers. It is important that consumers know when a dealer's business will be open. Although he does not like the government dictating how to run his business, this rule deals with a dealer's place of business and hours of operation. Rogue dealers generally disappear or are not predictably available. When administrative issues like title registration or availability come up, not knowing when the dealer will be in his place of business makes it difficult for consumers. They should be able to go to the dealer with their problems at a known day and time. It is also important for investigators to know when the dealer is going to be available. The rule requires a dealer to be open at least 20 hours per week, and at least 1 hour has to be Monday through Friday from 8:00 a.m. to 5:00 p.m. This accommodates investigators because those are their hours of operation. This rule is not so strict as to be overly burdensome for dealers. **Mr. Petersen** thanked the Committee and stood for questions.

Senator Vick thanked Mr. Petersen for presenting this rule in a manner he had not previously considered. His concern was that the State should not make businesses open at mandated times. Mr. Petersen's testimony helped him understand the rationale behind the rule. As a small business owner himself, **Senator Vick** did not want to discourage entrepreneurship. **Mr. Petersen** agreed with Senator Vick and said that in March it will be 40 years since he and his father started their business. He agreed that too many barriers discourages small business.

MOTION: **Senator Vick** moved to accept **Docket No. 39-0203-1402** with exception of Section 100 and Subsection 6a and 6b. **Senator Keough** seconded the motion.

SUBSTITUTE MOTION: **Senator Hagedorn** moved to accept **Docket No. 39-0203-1402**. **Chairman Brackett** seconded the motion

Senator Hagedorn appreciated the original motion, but the dealers' associations had thoroughly vetted the rule. While he agreed that imposing State edicts on business was not ideal, he thought the rule should be accepted.

ROLL CALL VOTE ON SUBSTITUTE MOTION: **Vice Chairman Nonini** called for a **roll call** vote. **Chairman Brackett, Senators Hagedorn, Buckner-Webb** and **Lacey** voted aye. **Vice Chairman Nonini, Senators Keough, Vick** and **Den Hartog** voted nay. Senator Winder was absent. The motion failed.

VOTE ON ORIGINAL MOTION: The original motion passed by **voice vote**.

DOCKET NO. 39-0310-1401: With no additional discussion of the docket, **Vice Chairman Nonini** called for a motion.

MOTION: **Senator Hagedorn** moved to accept **Docket No. 39-0310-1401**. **Senator Keough** seconded the motion. The motion passed by **voice vote**.

DOCKET NO. 39-0316-1401: With no additional discussion of the docket, **Vice Chairman Nonini** called for a motion.

MOTION: **Senator Vick** moved to accept **Docket No. 39-0316-1401**. **Senator Hagedorn** seconded the motion. The motion passed by **voice vote**.

DOCKET NO. 39-0350-1401: With no additional discussion of the docket, **Vice Chairman Nonini** called for a motion.

MOTION: **Senator Hagedorn** moved to accept **Docket No. 39-0350-1401**. **Senator Buckner-Webb** seconded the motion. The motion passed by **voice vote**.

PASSED THE GAVEL: Vice Chairman Nonini returned the gavel to Chairman Brackett.

ADJOURNED: **Chairman Brackett** thanked Vice Chairman Nonini for getting the Committee through the administrative rules process. With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 2:28 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AGENDA
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Thursday, January 29, 2015

SUBJECT	DESCRIPTION	PRESENTER
Presentation	"Opinions on Highway Funding: A Survey of Idaho's Likely Voters" from the McClure Center for Public Policy Research at the University of Idaho	Priscilla Salant, Director, McClure Center for Public Policy Research
Discussion	Synopsis of procedures when reviewing Administrative Rules.	Dennis Stevenson, Administrative Rules Coordinator
<u>RS23391</u>	Creates an "America The Beautiful" specialty license plate for an Idaho-based national charity.	Roy Eiguren, Eiguren Fisher Ellis

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett
Vice Chairman Nonini
Sen Keough
Sen Winder
Sen Hagedorn

Sen Vick
Sen Den Hartog
Sen Buckner-Webb
Sen Lacey

COMMITTEE SECRETARY

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MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Thursday, January 29, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey

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 Brackett** convened the meeting of the Senate Transportation Committee (Committee) at 1:30 p.m. He welcomed everyone and invited Priscilla Salant, Director of the University of Idaho's McClure Center for Public Policy Research, to the podium to share the results of a survey the McClure Center conducted in 2014 to get voters' opinions on roads and bridges in Idaho.

PRESENTATION: **Ms. Salant** explained to the Committee that the McClure Center conducts unbiased, non-partisan research. They take no position on legislation, and they want to be known for providing truthful, scientifically sound research.

The ten minute survey's goal was to understand opinions of likely Idaho voters on issues relating to the funding of roads and bridges. Topics included: (1) the adequacy and conditions of roads and bridges; (2) given other legislative priorities, how important funding roads and bridges was to the voter; (3) the pros and cons of increasing funding for roads and bridges; and (4) alternative funding options for roads and bridges. The statewide survey was conducted between February and April, 2014. The total sample size was 1,062 telephone respondents (both cell and landlines) who were screened as being likely voters.

According to **Ms. Salant**, the main conclusion from the survey was that there was a critical challenge for Idaho's policymakers to find revenue to invest in infrastructure. Most respondents saw a clear need for improvements to Idaho's highway infrastructure in the future.

Key survey findings were: (1) likely voters generally view roads and bridges as adequate today but not ten years from now; (2) almost all likely voters surveyed saw a relationship between the economy and roads and bridges; (3) almost half of likely voters surveyed thought that increasing funding for roads and bridges should be in the top three legislative priorities; (4) a majority of likely voters surveyed are convinced by the arguments that safety and the economy are important to roads and bridges and less convinced by the arguments that higher taxes and government waste are important; and (5) the revenue sources most supported by those surveyed are those that are less likely to generate significant amounts of funding. **Ms. Salant** concluded her presentation, which will be on-file in the Legislative Services Library following Sine Die, and stood for questions.

Senator Vick wanted to know if the question of what Idaho infrastructure needs today came up. **Ms. Salant** said that all questions were presented exactly the same way on each call in order to remain unbiased. She referred to the slide indicating that 53 percent of the respondents said roads and bridges should be one of the three highest legislative priorities. The next slide listed supported revenue priorities from highest to lowest. She reviewed each slide that gave results that answered Senator Vick's question.

Senator Hagedorn asked about the correlation of the colors of the chart on her last slide entitled "Regional Differences". **Ms. Salant** said the chart indicated the regions in Idaho that have more trust in government and those with less trust.

Chairman Brackett said he appreciated the McClure Center's willingness to conduct this survey and the time and effort it took to do so. The Legislature wanted to see if there was grassroots support for funding improvements to Idaho's infrastructure and was happy with the supportive results of the survey.

Senator Nonini asked how these results might change given the current reduction in the price of oil. **Ms. Salant** said it was not something she could even speculate about.

Senator Lacey asked if there were questions about road safety. **Ms. Salant** referred to the slide on "High Level of Underlying Trust". Additional funding will allow Idaho to make roads and bridges safer.

**ADMINISTRATIVE
RULES:**

Chairman Brackett thanked Ms. Salant and welcomed Dennis Stevenson, Idaho's Administrative Rules Coordinator, to the podium to address any remaining concerns Committee members had about administrative rules.

Mr. Stevenson said he did not have prepared remarks but had been asked to relay information regarding the Committee's administrative rules. **Vice Chairman Nonini** thanked Mr. Stevenson for making himself available. He asked Mr. Stevenson to expand on the issue brought up by Senator Hagedorn regarding incorporating federal documents by reference in rulemaking that contain rules and regulations not currently in Idaho Code. **Vice Chairman Nonini** asked if that issue occurred frequently among departments.

Mr. Stevenson said there is a statutory reason for rulemaking authorizing incorporation by reference. In Senator Hagedorn's instance, the Idaho State Tax Commission (STC) had a document, the International Fuel Tax Agreement (IFTA), that had previously been incorporated. He was not sure if it was incorporated adequately and was not certain whether IFTA was a recognized body by the Legislature. Incorporated documents cannot be changed, but the Committee can reject portions of a document if it does not fit within the intent of the Legislature. New, updated versions of documents incorporated by reference should be considered for adoption.

Vice Chairman Nonini asked if new department heads required special training to venture into rulemaking. **Mr. Stevenson** said that while there may be turnover at the top of a department, his organization works with people at the administrative level. Each department has a rules coordinator that works with his department. His office offers workshops for those making rules and for those presenting rules.

Chairman Brackett asked Mr. Stevenson if he discussed the concept of incorporation by reference during his workshops. **Mr. Stevenson** said the 2012 Legislature strengthened incorporation by reference by changing the notice of rulemaking. They are now required to include a synopsis of why the document is being incorporated. It is a valuable tool. **Chairman Brackett** said that one compelling reason to include a description is to make their legislative presentations easier. **Mr. Stevenson** agreed that there needs to be a comfort level with the Legislature and rulemaking. **Chairman Brackett** suggested that the Idaho Code section providing the authority should be listed. **Mr. Stevenson** said that Senator Hagedorn had suggested that as well, plus the person engaged in rulemaking needs to site the legislation (bill number) from previous sessions where that legislation is referenced. Some agencies already do that.

Senator Hagedorn asked about concurrent resolutions when rejecting a rule. He did not believe legislators knew all the options available when rules are brought before committees. He wanted to know what actions require a concurrent resolution. **Mr. Stevenson** said concurrent resolutions need to be drafted when a committee rejects an entire docket or a portion of a docket. Following a committee's rule actions, the chairman of the committee drafts a letter to the President Pro Tem listing each docket and the committee's action. Legislative Services Office (LSO) uses those letters to spur them into drafting a resolution if a docket or part of a docket is rejected. Both the House and the Senate have to adopt that resolution before the whole or partial docket is rejected. Negotiating between the House and Senate can take place if one body's action does not coincide with the other body. Rules are not legislation; they can be taken up and re-reviewed at any time during the Session. It is never over until it is over.

Vice Chairman Nonini wanted to know how many states go through this process. **Mr. Stevenson** said each state does it differently than Idaho does. Many states have no review at all and some convene committees.

Chairman Brackett thanked Mr. Stevenson for educating the Committee on a sometimes difficult procedural responsibility.

RS 23391:

Chairman Brackett invited Roy Eiguren of Eiguren Fisher Ellis to take the podium to present **RS 23391**.

Mr. Eiguren said he was before the Committee on behalf of Support Our Troops, a national 501(c)(3) federal tax-exempt charitable organization based in Florida. In 2011, the organization's CEO relocated to Boise. His nonprofit organization has distributed over \$20 million to assist the military with goods and services.

Mr. Eiguren stated that by printing and passing **RS 23391**, Support Our Troops will build on its success through the America The Beautiful specialty license plate in cooperation with its Idaho partner charity, Live Laugh Love Given, Inc. This organization serves education, children and families as well as the military community. **Mr. Eiguren** distributed two handouts to Committee members; one contained a color example of the specialty license plate and where funds would be distributed, and the other listed Idaho funds distributed by Support Our Troops. **Mr. Eiguren** thanked the Committee and stood for questions.

Senator Hagedorn wanted to clarify that the organization, Support Our Troops, was not just an Idaho nonprofit, it has organizations throughout the United States. The funds from all those organizations make up the \$20 million total. The same model will be used for America The Beautiful.

MOTION:

Senator Hagedorn moved to print **RS 23391**. **Vice Chairman Nonini** seconded the motion. **Chairman Brackett** asked if there was further discussion.

Senator Vick asked what percentage of the funds raised will go toward paying for the administrative costs associated with America The Beautiful, and what amount raised currently goes toward Support Our Troops administrative costs.

Senator Den Hartog commented that she was not a fan of many specialty license plates. She asked Mr. Eiguren if he thought the State should raise funds for private foundations. She was planning on voting against sending **RS 23391** to print. **Mr. Eiguren** said that Idaho has 30 specialty license plates that have raised \$2 million in revenue for the 501(c)(3) charities each plate represents.

Senator Winder asked if the money raised from sales of the license plate would remain in Idaho or if it would be commingled with funds from other states and whether that was constitutional.

Mr. Eiguren said he would address administrative cost issues at a hearing of the printed legislation.

Senator Hagedorn asked what was the difference in cost of a regular license plate versus the cost of this specialty license plate; what is the difference in how much the State makes off a license plate versus this specialty license plate? **Mr. Eiguren** said he would bring that information to the Committee at a hearing.

**VOTE ON
MOTION:**

With no further questions of Mr. Eiguren, **Chairman Brackett** called for a vote on the motion before the Committee. The motion passed by **voice vote**. **Senator Den Hartog** asked to be recorded as voting against the motion.

ADJOURNED:

Chairman Brackett adjourned the meeting at 2:23 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AGENDA
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Tuesday, February 03, 2015

SUBJECT	DESCRIPTION	PRESENTER
MINUTES	Approve minutes of the January 20, 2015 Committee meeting.	Senator Hagedorn and Senator Vick
<u>RS23388</u>	Clarifies assessment of property value of condemned property based on proceedings of a court case.	Senator Winder
PRESENTATION	"The Status of Idaho's Local Road Jurisdictions"	Stuart Davis , Executive Director, Idaho Association of Highway Districts
<u>S 1015</u>	Revises certain bond requirement provisions to motor vehicle dealers	Christine Fisher , Idaho Transportation Department
<u>S 1016</u>	Implements new Commercial Driver's License testing and Commercial Learner's Permit standards.	Ed Pemble , Idaho Transportation Department

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett
Vice Chairman Nonini
Sen Keough
Sen Winder
Sen Hagedorn

Sen Vick
Sen Den Hartog
Sen Buckner-Webb
Sen Lacey

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
Phone: 332-1332
email: stran@senate.idaho.gov

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Tuesday, February 03, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey

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 Brackett** called the meeting of the Senate Transportation Committee (Committee) to order at 1:30 p.m.

Chairman Brackett welcomed everyone to the meeting and asked the Committee for a motion on approving the Minutes of the January 20, 2015 meeting.

MINUTES APPROVAL: **Senator Hagedorn** moved to approve the Minutes of January 20, 2015. **Senator Vick** seconded the motion. The motion passed by **voice vote**.

RS 23388: **Chairman Brackett** asked Senator Winder to present **RS 23388**.

Senator Winder said this RS is a further effort to clarify and be specific in the condemnation process and on how property values are determined. The Idaho Transportation Department (ITD) and the Ada County Highway District (ACHD) have seen this legislation. It's an effort to keep things balanced and to protect the private property rights of individual citizens in Idaho. **Senator Winder** asked the Committee to send it to print and stood for questions.

Senator Lacey asked why this legislation was being heard by the Transportation Committee instead of the Local Government and Taxation Committee. **Senator Winder** said it is more related to transportation with a condemnation process in right-of-ways. Typically these bills come to this Committee. It could go to the Local Government and Taxation Committee or even to the State Affairs Committee, but traditionally they come to this Committee.

MOTION: **Vice Chairman Nonini** moved to send **RS 23388** to print. **Senator Hagedorn** seconded the motion. The motion passed by **voice vote**.

PRESENTATION: **Chairman Brackett** welcomed Stuart Davis, Executive Director of the Idaho Association of Highway Districts (IAHD), to the podium to begin his presentation on "The Status of Idaho's Local Road Jurisdictions."

Mr. Davis said that on behalf of his colleagues, Seth Grigg of the Association of Idaho Cities and Caitlin Rusche of the Idaho Association of Counties, he thanked the Committee. Each Committee member received a local road, local bridge and state bridge inventory book prepared by the Local Highway Technical Assistance Council (LHTAC). The book shows the status of pavement in each jurisdiction.

Mr. Davis said that this was the 30th Legislative Session in which he has been involved. Although the State's highway jurisdictions seem complicated, they are not. There are 64 highway districts, 34 counties, 188 cities and ITD that all have responsibility for maintaining Idaho's roadways. There are 1.61 million people using the highway system and 1.63 million cars, trucks and trailers. The cities have 5,000 lane miles, the counties have more than 14,000 lane miles, and the highway districts have more than 12,000 lane miles. In total there are 45,634 lane miles; 46 percent of the local system is rated in fair or poor condition. There are 2,375 bridges with a span of more than 20 feet; 702 are more than 50 years old.

Total funding for the local highway system in fiscal year (FY) 2014 was \$428.2 million. That breaks down to \$217.8 million from property tax, \$90.7 million in federal funds, and \$119.7 million from the Highway Distribution Account (HDA). One challenge on funding is the increasing reliance on property tax which caused a shift from user fees to non-user fees. Demands far outpace resources as the system grows.

Concluding his portion of the presentation, **Mr. Davis** gave a brief history of Idaho highway districts and stood for questions.

Senator Hagedorn asked how highway districts are mitigating a 59 percent crash rate and 47 percent fatality rate. **Mr. Davis** said they are working with ITD to better understand the cause of accidents on Idaho roads, and they are working on an enhanced education piece. Speed is clearly the underlying issue.

Chairman Brackett said he received a report on the funds from the HDA to cities; he wondered if there were similar reports for counties and local highway districts. **Mr. Davis** said there were and he would get copies to the Chairman.

Seth Grigg, Executive Director of the Association of Idaho Cities, took the podium to continue with the presentation. **Mr. Grigg** began by stating cities have a stake in and a statutory responsibility for the condition of Idaho's roads.

Funding for city streets and bridges comes from levies, property taxes, the HDA, and federal aid, grants and other assistance programs. Those federal programs and grants are primarily administered through LHTAC. Idaho cities maintain 6,442.8 street miles and 267 bridges; 80 of those bridges are over 50 years old. In addition, city streets and right of ways serve as conduits for city public works utility infrastructure like water delivery pipelines, sewage pipelines, internet lines, and electric and natural gas lines. That essential infrastructure running beneath city streets is important to commerce and industry, economic development, education, public health, and public safety. **Mr. Grigg** thanked the Committee and stood for questions. There were no questions for Mr. Grigg.

Representing the Idaho Association of Counties was their policy analyst, Caitlin Rusche. **Ms. Rusche** said that the county highway system encompasses 14,734 improved miles with 1,204 county local bridges, 406 of which are over 50 years old. There are 33 counties in Idaho that have road and bridge responsibilities. Primary county revenue sources include: (1) property tax; (2) state shared revenue including sales tax, highway users revenue, and liquor apportionment; (3) federal revenues from Payment in Lieu of Taxes (PILT) and Secure Rural Schools (SRS); (4) fees for service; and (5) grants. The loss of SRS payments to counties, highway districts and cities amounts to a \$26.3 million hit annually; there are also other functions of county government competing for infrastructure revenue. With fewer dollars, county road and bridge departments will have to prioritize their efforts. **Ms. Rusche** concluded her portion of the presentation and stood for questions.

Senator Hagedorn asked if there were any consolidation plans for cities, counties and local highway districts. **Mr. Davis** said it would take signatures of 25 people who reside within the district to initiate a consolidation. **Senator Hagedorn** said that provision has been on the books for many years. It doesn't seem to be the incentive needed to spur consolidation to save on administrative and overhead costs. **Mr. Davis** said that consolidation is occurring. About 75 percent of highway districts work together and share equipment and manpower. Based on a study done by Kootenai County a few years ago, there is a slight savings. The city of Meridian and Ada County work together. **Senator Hagedorn** asked how to get the other 25 percent to participate. **Mr. Davis** said they are isolated, rural jurisdictions; their transportation plans are multi-jurisdictional. **Mr. Grigg** said most cities are too small to consolidate.

Chairman Brackett asked under which section of Idaho Code was the Ada County Highway District (ACHD) formed. **Mr. Davis** said it was formed under Idaho Code, Title 40, Chapter 14 in 1962.

Senator Winder wanted to know if the \$26.3 million in SRS funding was really over. **Ms. Rusche** replied that rural schools funding has not been reauthorized and that the funding source was now gone.

S 1015:

Chairman Brackett thanked Mr. Davis, Mr. Grigg and Ms. Rusche for their presentation and welcomed Christine Fisher of ITD's Dealer Licensing Program to present **S 1015**. **Ms. Fisher** said this bill requests an amendment to Idaho Code § 49-1608 that changes the Idaho Wholesale Dealer Surety Bond requirement.

In the 2013 Legislative Session the Idaho Consumer Asset Recovery (ICAR) Fund was created to increase protection for Idaho consumers purchasing vehicles from licensed retail vehicle dealers. Wholesale dealers are not licensed to sell vehicles to individual customers, so their buyers, mainly vehicle dealers and vehicle auctions, are not covered under the provisions of the ICAR Fund. In order to increase protection for those buyers, it was recommended by the Idaho Dealer Advisory Board that the current \$20,000 surety bond, which had not been changed in over 15 years, should be increased to \$40,000 for wholesale dealers only. It also exempts wholesale dealers from participating in the ICAR Fund. It was considered inequitable for wholesale dealers to pay into the fund if their customers would not be covered by it. This proposal will increase consumer protection for more customers. **Ms. Fisher** stood for questions.

Senator Hagedorn asked why used cars are only referenced with regard to wholesale dealers. **Ms. Fisher** said that ITD's Dealer Operations Supervisor, Daryl Marler, could better answer Senator Hagedorn's question. **Mr. Marler** said that wholesale dealers' new car sales come directly from the manufacturers that are already bonded.

Senator Nonini asked if the cost of a \$40,000 bond was significantly greater than the cost of a \$20,000 bond. **Ms. Fisher** said she had done some research into this matter. For a dealer with a medium to good credit rating, the cost range is between \$400 to \$800 per year.

Senator Winder asked for a specific example of why a \$40,000 bond is better than a \$20,000 bond. **Ms. Fisher** said the primary reason is that most cars and even motorcycles have a value greater than \$20,000. The higher bond amount benefits the consumer. **Senator Winder** asked about the size of claims being filed. **Mr. Marler** said that bond claims by consumers range from \$2,000 to \$25,000 and rise as vehicles become more expensive. For dealers selling large number of vehicles, the bond amount is prorated among the vehicles sold which falls short of covering claims. **Senator Winder** asked about the type of claims. **Mr. Marler** said that typically they are failure to provide title claims, because the dealer can't always verify from where it procured the vehicle.

Senator Nonini asked how often claims are filed. **Mr. Marler** said it generally varies with economic conditions and the time of year.

MOTION:

Senator Hagedorn moved to send **S 1015** to the floor with a **do pass** recommendation. **Senator Buckner-Webb** seconded the motion. The motion passed by **voice vote**. **Senator Hagedorn** offered to carry the bill on the Senate floor.

S 1016:

Chairman Brackett thanked Ms. Fisher and Mr. Marler and welcomed Ed Pemble, ITD's Driver Services Manager, to the podium to present **S 1016**.

Mr. Pemble said that the primary purpose of this legislation is to implement new Commercial Driver's License (CDL) and Commercial Learner's Permit (CLP) standards and associated knowledge testing standards. The legislation provides similar standards for non-commercial instruction permits and motorcycle instruction permits for consistency across programs. **Mr. Pemble** explained in more detail the principle points of **S 1016**.

In the first year, there is a penalty of up to 4 percent withheld of apportioned federal highway funds to Idaho if this legislation fails to be enacted. The funds withheld would begin in October of 2016 and would increase up to 8 percent each year thereafter. Based on current Federal Highway Administration apportionments to Idaho, the highway fund loss at 4 percent would be \$9.7 million in 2016 and up to \$19.5 million per year starting the following year and ongoing. The apportioned federal program affected is the National Highway Performance and Surface Transportation Fund. **Mr. Pemble** stood for questions.

Senator Hagedorn asked why there were two references to the Organ Donation Fund. **Mr. Pemble** said one relates to the bill passed in 2013 and appears in the 2013 Session Laws. The two versions of the code will be merged into one.

Senator Vick asked if this bill would negatively impact the current shortage of truck drivers. **Mr. Pemble** said the only connection is that **S 1016** requires a truck driver's permanent legal presence in the United States. A CDL issued under the Federal Motor Carrier Safety Administration (FMCSA) program is needed. An Idaho license fulfills that requirement. **Senator Vick** wondered why FMCSA references throughout the bill in specific sections do not provide version dates. **Mr. Pemble** said that there is no version date of the Congressional Federal Regulations (CFR) referenced. **Senator Vick** asked if that changes, will the Legislature have to also change those sections. **Mr. Pemble** said that if the federal government adds new code then the Legislature would have to act as well.

Senator Lacey asked why there was no 14-day waiting period requirement even if it jeopardizes federal funding. **Mr. Pemble** said the Idaho Trucking Association did not like the 14-day waiting period. He used an example of a school bus driver who got a job driving a commercial truck. That driver would have to wait 14 days to get a CDL. A skills test requirement can exist that is not specifically written into legislation.

Senator Nonini asked how many groups support and oppose this bill. **Mr. Pemble** was unaware of any opposing groups. There were no more questions for Mr. Pemble.

Chairman Brackett thanked Mr. Pemble and welcomed Lane Triplett of the Idaho Coalition for Motorcycle Safety to the podium to testify in favor of **S 1016**.

TESTIMONY:

Mr. Triplett thanked the Committee and said that this bill cleans up the existing law by closing a loophole that allows new riders to extend their permits multiple times. Currently, an "M" endorsement is required on a motorcycle driver's license. While many riders do not believe an endorsement should be required, it is the current law and all motorcyclists should comply. A study by the Idaho Coalition for Motorcycle Safety shows that over the past 5 years, 37 percent of fatal crashes involve an unendorsed operator. Getting an "M" endorsement is easy and inexpensive and it assures a minimum skill level has been attained. There were no questions for Mr. Triplett.

MOTION:

Senator Lacey moved to send **S 1016** to the Senate floor with a **do pass** recommendation. **Senator Winder** seconded the motion. The motion passed by **voice vote**. **Senator Lacey** offered to carry the bill on the Senate floor.

ADJOURNED:

With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 2:32 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AMENDED AGENDA #1
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Thursday, February 05, 2015

SUBJECT	DESCRIPTION	PRESENTER
Minutes	Approval of the minutes of the January 22 meeting.	Senator Den Hartog and Senator Lacey
Gubernatorial Appointment	Introduction of Julie DeLorenzo . Reappointment to the Idaho Transportation Board to serve a term commencing January 31, 2015 and expiring January 31, 2021.	Jerry Whitehead , Chairman, Idaho Transportation Board Julie DeLorenzo , Member, Idaho Transportation Board
<u>H 16</u>	Adds a new section to Idaho Code to establish a special license plate for the Idaho Friends of the National Rifle Association.	Representative Sage Dixon
Presentation	"The Business Case for Supporting Transportation"	Todd Litman , Victoria Transport Policy Institute
<u>S 1028</u>	A technical corrections bill on speed limit statutes as recommended by the Idaho Supreme Court in its annual report to the Governor concerning defects or omissions in the laws.	Michael Henderson , Legal Counsel, Idaho Supreme Court
<u>H 15</u>	Outlines the process of placing a "stop" on a title record by including notification requirements to interested parties.	Barry Takeuchi , Idaho Transportation Department

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett
Vice Chairman Nonini
Sen Keough
Sen Winder
Sen Hagedorn

Sen Vick
Sen Den Hartog
Sen Buckner-Webb
Sen Lacey

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
Phone: 332-1332
email: stran@senate.idaho.gov

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Thursday, February 05, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey

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 Brackett** called the meeting of the Senate Transportation Committee (Committee) to order at 1:33 p.m. and welcomed everyone to the meeting. He gave a special welcome to former Idaho State Senator and teacher, Evan Frasure, who was accompanied by a group of his students from Pocatello's Century High School. **Senator Keough** also warmly welcomed former Senator Frasure as he was the chairman when she first served on the Committee.

MINUTES APPROVAL: **Senator Den Hartog** moved to approve the Minutes of January 22, 2015. **Senator Lacey** seconded the motion. The motion passed by **voice vote**.

GUBERNATORIAL APPOINTMENT: **Chairman Brackett** welcomed Jerry Whitehead, Chairman of the Idaho Transportation Board (ITB), to the Committee and asked him to take the podium to introduce Julie DeLorenzo.

Mr. Whitehead thanked the Chairman and the Committee for allowing him the pleasure of introducing Julie DeLorenzo for her reappointment to ITB. **Mr. Whitehead** said that Ms. DeLorenzo took his place on ITB representing District 3 when he became Chairman. She has done an outstanding job. He agreed with the Governor that she should be reappointed. ITB consists of six members, one representing each district in the State, plus a chairman. It is a nonpartisan board made up of three Democrats and three Republicans. Ms. DeLorenzo is a Democrat who looks out for the transportation and infrastructure needs of all Idahoans. **Mr. Whitehead** ended his introduction by reiterating that Ms. DeLorenzo deserved to be reappointed for a full six year term.

Chairman Brackett thanked Mr. Whitehead for his remarks and welcomed Julie DeLorenzo to the podium. **Ms. DeLorenzo**, a resident of Boise, said it was a pleasure to be before the Committee again, and she was honored to be reappointed. Three-and-one-half years ago, Ms. DeLorenzo committed herself to learning as much as possible about transportation. She was raised in a small coastal town of 2,300 people in Oregon, and she has lived in Boise for 33 years. Consequently, she understands the needs of both small and larger communities. She and her husband raised their family in Boise, and they love this great State. Her son is serving in the United States Air Force.

ITB members appreciate the important role they play in their oversight of the Idaho Transportation Department (ITD). It is a big and complicated position. She was very proud of the reorganization that Director Ness and his team at ITD have conducted in response to the many needs and challenges they have encountered. They have met, and in some cases exceeded, the expectations of ITB. As a fiscal conservative, **Ms. DeLorenzo** appreciated how well ITD utilized limited resources as they maneuvered through those obstacles. **Ms. DeLorenzo** again thanked the Committee and stood for questions.

Senator Buckner-Webb asked what Ms DeLorenzo saw as ITD and ITB's priority. **Ms. DeLorenzo** said it was saving Idahoans' lives. It is a big responsibility. She didn't clearly understand that when she began her first appointment to ITB, but she thoroughly understands it now. "Saving lives" as a focus means improvements to the State's infrastructure in order to make the State's roadways safer and save lives. There were 186 lives lost last year on our roadways; a number that is too large. ITB has adopted new processes to commit funds to safety, the number one priority. It isn't how funds used to be divided up, but it is an approach serving all Idahoans.

Senator Hagedorn commented that ITD, over the last few years, has been a roller-coaster ride with lots of cuts and lots of streamlining. He asked how effective Director Ness has been in carrying out the needs of the State. **Ms. DeLorenzo** said that the director and the ITD staff have done a stellar job. They've cut 110 employees, but at a certain point cuts come to an end. Efficiency is always going to be needed, but funding is the point requiring an answer. **Chairman Brackett** commented that he appreciates Ms. DeLorenzo's answer and likes what has already occurred at ITD; efficiency makes funding easier.

Senator Vick asked Ms. DeLorenzo which traits from her professional skillset as a realtor applied to her ITB work. **Ms. DeLorenzo** said having all the facts is important, listen before speaking, and if you listen long enough, all the facts may be revealed. In short, if you have enough information, reaching a better decision is inevitable. There were no further questions for Ms. DeLorenzo.

Chairman Brackett thanked Ms. DeLorenzo and explained that the Committee would vote on her nomination at a future Committee meeting. **Ms. DeLorenzo** concluded by stating she felt blessed to live in the best state in the country, and she appreciated today's hearing.

H 16:

Chairman Brackett welcomed Representative Sage Dixon to the Committee and asked him to take the podium to present **H 16**.

Representative Dixon said that **H 16** adds a new section to Idaho Code to establish a specialty license plate for the Idaho Friends of the National Rifle Association (NRA). The NRA defends and fosters the Second Amendment rights of all citizens and through the NRA Foundation, raises money for the future of the shooting sports. He explained that Friends of the NRA began operations in 1992 as a way to raise money locally. It has held events and brought like-minded people together from all around the country. **Representative Dixon** referred to the handouts that explained the program and listed grants to Idaho organizations; there was also an image of how the Idaho specialty plate would look. He said that funds raised through the purchase of this plate will remain in Idaho. **Representative Dixon** thanked the Committee and stood for questions.

Senator Lacey pointed out that Idaho had an NRA specialty license plate that did not generate enough sales to stay in circulation. **Representative Dixon** said there had been two plate but the funds did not go to the Friends of the NRA. He is confident this plate will remain in circulation because the sale of the plate will be part of statewide fundraising efforts.

Senator Den Hartog asked Representative Dixon if it was an appropriate role for the State to help a private nonprofit organization fundraise. **Representative Dixon** said a precedence exists with other nonprofit organizations, and this plate is in line with practices already being conducted by the State.

Senator Keough wanted to know if the NRA Foundation would restrict funds raised in Idaho from coming back to Idaho and if that practice was legal. She queried as to how the NRA Foundation would keep Idaho sales separate.

Representative Dixon said he trusted what he had been told, that the funds would be spent in Idaho. **Senator Keough** said that having surety about where the funds go would be a helpful follow-up. With a national organization plate there are always questions about whether the revenue is distributed nationally or just in Idaho. It would be comforting to know that there is a legal document confirming the funds will remain in and benefit Idaho.

MOTION: In light of the assurance that funds raised from sales of this plate will be spent in Idaho, **Senator Nonini** moved that **H 16** be sent to the floor with a **do pass** recommendation. **Senator Vick** seconded the motion.

TESTIMONY: **Chairman Brackett** invited Dawni Jenkins, a senior at Century High School in Pocatello, to the podium to present her testimony. As a hunter, **Ms. Jenkins** supports the NRA and what they do, but she does not think it necessary to create a specialty Idaho license plate for them. She thought license plate funds should be used to promote state organizations like Idaho Fish and Game and not private organizations. **Ms. Jenkins** thanked the Committee and stood for questions. There were no questions for Ms. Jenkins.

Hannah Broswick, also a senior at Century High School, agreed with Ms. Jenkins' testimony. She thought there were better ways to support the NRA rather than taking funds away from state agencies. **Ms. Broswick** thanked the Committee and stood for questions.

Senator Hagedorn asked if Ms. Broswick knew that the State receives more money from the sale of a specialty license plate than it does from the sale of a regular license plate; with a specialty license plate, both the State and the supporting charitable organization receive money. **Ms. Broswick** was unaware of that and for clarity asked if that was the case for regular license plates.

Senator Hagedorn said the State partners with an organization when creating a specialty license plate. A standard license plate costs around \$24, a specialty license plate costs about \$75, and those fees are split between the State and the organization. **Ms. Broswick** thanked Senator Hagedorn for that information.

Senator Vick commented that the answer to Senator Keough's question about distribution of funds could be found on page 4, line 5, of the bill where it states that the funds raised go into the NRA Foundation Idaho State Grant Fund. This fund is restricted to funds distributed in the State of Idaho. **Senator Keough** thanked Senator Vick but wanted to have a copy of the legal document corroborating that statement.

VOTE ON MOTION: **Chairman Brackett** called for a vote on the motion before the Committee. The motion passed by **voice vote**. **Senator Den Hartog** asked to be recorded as voting against the motion. **Senator Nonini** offered to carry the bill on the floor.

PRESENTATION: **Chairman Brackett** invited Ken Burgess of Veritas Advisors, LLP (representing the Community Planning Association of Southwest Idaho (COMPASS)) to the podium to introduce Todd Litman, founder and executive director of the Victoria Transport Policy Institute located in British Columbia, Canada.

Mr. Burgess said that Mr. Litman was in Idaho to make an extended presentation that evening to members of COMPASS. They bring in transportation experts from around the country for presentations regularly. Mr. Litman's policy institute is an independent research organization dedicated to developing innovative solutions to transportation problems. It expands the range of impacts and options considered in transportation decision-making and improves evaluation methods. He makes specialized technical concepts accessible, and his research is used worldwide in transport planning and policy analysis.

Mr. Litman said that he is a policy geek when it comes to understanding trends in transportation. Issues to focus on include changing travel demands and the benefits of meeting those demands; and justifying more investment in transportation and how to overcome opposition. There are many factors that indicate motor vehicle travel is peaking in Idaho. As Idaho's population ages, vehicle travel declines. He described Idaho travel trends and per capita vehicle miles travelled in order to demonstrate the decline.

There are many ways transportation improvements can support economic development. The greatest benefits occur when inadequate transportation constrains economic activities or imposes high costs. Where this occurs, transportation improvements increase productivity. The costs of inadequate transport includes: (1) traffic congestion increases travel times and wastes fuel; (2) restricted bridges limit commerce by increasing travel distances; (3) rough roads and bridge decks increase vehicle wear and tear and jeopardize public safety; (4) delaying road and bridge preservation projects forces the need for more costly restoration projects; and (5) inadequate transport options increase crash risk and reduces tourism.

As reported in the 2011 Governor's Task Force findings, Idaho has a significant and growing transportation funding shortfall. Idaho's roads and bridges are aging and will require an infusion of funds for rehabilitation, reconstruction and replacement. He touched on the findings of the likely voter opinion poll conducted by the McClure Center for Public Policy Research at the University of Idaho. In short, likely voters prefer taxing auto parts and tires and increasing fees on commercial vehicles rather than increasing automobile user fees. They want more revenue put into infrastructure, but they want someone else to be taxed. **Mr. Litman** concluded his remarks and stood for questions. The complete presentation will be on file in the Legislative Services Library following the Session's Sine Die.

Senator Hagedorn responded to Mr. Litman's ending comment and said that opinions vary on how to fund transportation improvements. Rural areas prefer fees be raised and urban areas are comfortable with tax increases. What really resonates with all voters is public safety when presented as saving lives.

Senator Den Hartog asked if the decrease in vehicle miles traveled is related to fuel tax, and what would be a more viable fee structure. **Mr. Litman** suggested new devices that are like toll stickers where transaction costs are tracked. Fuel tax increases are the simplest and politically easiest way to generate the amount of funding needed. Conservative action would be to maintain the State's infrastructure assets.

Senator Vick asked about the Victoria Transport Policy Institute's purpose. **Mr. Litman** said he created it to house his consulting firm.

S 1028:

Chairman Brackett thanked Mr. Litman and Mr. Burgess and welcomed Michael Henderson, Legal Counsel to the Idaho Supreme Court, to the Committee and asked him to take the podium to present **S 1028**.

Mr. Henderson said that the Idaho Constitution requires the Idaho Supreme Court to annually report to the Governor on defects and omissions that have been found in Idaho Code. This bill corrects an omission in Idaho Code § 49-654 regarding speed limits.

ITB has the authority to set reasonable and safe speed limits on interstate and state highways. The maximum speed limit on interstate highways is 75 miles per hour (mph), unless ITD concludes that an increase to 80 mph is in the public interest. Similarly, the maximum speed limit on state highways is 65 mph, which may be increased to 70 mph. Also, speed limits less than the maximum can be set by ITB on interstate and state highways.

Any offense must be defined by statute. The offense of speeding is set in Idaho Code § 49-654(2)(a) where it states that the limit in residential, business or urban districts is 35 mph unless otherwise posted in accordance with Idaho Code § 49-207(2) or (3). These are the sections that allow local authorities to set speed limits in residential, urban and business districts.

However, Idaho Code § 49-654(2)(b) simply says that the limit on interstate highways is 75 mph, provided that it may be increased to 80 mph, and § 49-654(2)(c) states the limit on state highways is 65 mph unless it has been increased to 70 mph. There is no "unless otherwise posted" provision in these subsections that defines exceeding a lower speed limit set by ITB as an infraction.

This bill removes any confusion and permits enforcement by allowing ITB to set reasonable and safe speed limits on interstate and state highways, and it permits the enforcement of those limits. **Mr. Henderson** thanked the Committee and said that Major Kevin Hudgens of the Idaho State Police (ISP) was available to answer any enforcement questions the Committee might have. He then stood for questions.

Senator Vick asked why the same change is not required for the 35 mph postings in § 49-654(2)(a). **Mr. Henderson** said that it already appears under those Idaho Code sections allowing local authorities to set those speed limits.

Senator Winder stated the current language was not the intent of the Legislature and this addition will be helpful.

MOTION:

Senator Winder moved that **S 1028** be sent to the floor with a **do pass** recommendation. **Senator Hagedorn** seconded the motion. The motion passed by **voice vote**. **Senator Winder** offered to carry the bill on the floor.

H 15:

Chairman Brackett thanked Mr. Henderson and welcomed Barry Takeuchi, ITD's Title Program Specialist in its Division of Motor Vehicles, to the podium to present **H 15**.

Mr. Takeuchi said this legislation codifies the title stop program which has existed for decades has operated on policy not statute. Idaho Code § 49-202(2)(i) only provides for a fee for a title stop in the motor vehicle fees section; there is no other reference to the stop process or program found elsewhere in statute.

The title stop program enables someone claiming an interest in a vehicle to be able to prevent its title from being transferred until ownership issues are resolved. Examples where the title stop program is utilized include disputes between heirs over vehicles left in an estate, disputes between former husbands and wives in a divorce, and disputes between former boyfriends and girlfriends. **Mr. Takeuchi** described general procedures for placing a title stop. Governmental agencies may also request title stops, as the Idaho State Tax Commission does when it places tax liens on vehicles.

Since the bill was presented to the House, ITD has been in discussions with the Idaho Bankers Association, the Idaho Credit Union League, the Idaho Automobile Dealers Association, and the insurance industry. Given their concerns, ITD would like the Committee to send **H 15** to the 14th Order for amendment. **Mr. Takeuchi** thanked the Committee and stood for questions.

Senator Nonini noticed that the two Representatives serving his Legislative District voted against **H 15** when it came before the full House for a vote. That made him curious about the industry concerns Mr. Takeuchi alluded to and asked him to be more specific. **Mr. Takeuchi** said the main concern with the language was that the party requesting the title stop had 30 days before they must file a judicial finding. The organizations and industry he heard from thought 30 days was too much time before the owner would be notified. Also, there is no mechanism to remove a title stop. The industries want ITD to be able to remove the title stop if the title is presented and the party requesting the title stop is satisfied. **Senator Nonini** asked if that was the concern of the eight no votes in the House. **Mr. Takeuchi** was unaware of their reasons for voting no. There were no further questions for Mr. Takeuchi.

TESTIMONY:

Chairman Brackett indicated there were a number of people who had signed up to testify on **H 15**. He welcomed the following individuals to the podium to present testimony favoring the addition of an amendment to **H 15**: **Woody Richards**, representing various insurance companies; **Kevin Hanigan**, Executive Director of the Idaho Automobile Dealers Association; and **Trent Wright**, Executive Director of the Idaho Bankers Association.

Senator Winder inquired who would be preparing the amendment(s). **Chairman Brackett** answered that Senator Nonini would work with ITD on amendment(s), and that he appreciated the testimony from the interested industries.

MOTION:

Senator Nonini moved to send **H 15** to the 14th Order for amendment. **Senator Keough** seconded the motion. The motion passed by **voice vote**. **Senator Nonini** said he would carry the bill on the floor.

ADJOURNED:

With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 2:52 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AGENDA
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Tuesday, February 10, 2015

SUBJECT	DESCRIPTION	PRESENTER
VOTE ON GUBERNATORIAL APPOINTMENT	The Governor's reappointment of Julie DeLorenzo to the Idaho Transportation Board to serve a term commencing January 31, 2015 and expiring January 31, 2021.	Chairman Brackett
<u>RS23493</u>	Legislation to amend the election of local highway district commissioners.	Chairman Brackett
<u>RS23552</u>	Legislation requesting an audit and evaluation of the Local Highway Technical Assistance Council (LHTAC).	Chairman Brackett

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett
Vice Chairman Nonini
Sen Keough
Sen Winder
Sen Hagedorn

Sen Vick
Sen Den Hartog
Sen Buckner-Webb
Sen Lacey

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
Phone: 332-1332
email: stran@senate.idaho.gov

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Tuesday, February 10, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Winder, Vick and Den Hartog

ABSENT/ EXCUSED: Senators Keough, Hagedorn, Buckner-Webb and Lacey

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 Brackett** called the Senate Transportation Committee (Committee) to order at 1:30 p.m. **Chairman Brackett** noted that Senators Keough and Lacey had asked to be excused from the meeting. **Chairman Brackett** said because of conflicting administrative scheduling obligations, this meeting would be very short.

VOTE ON GUBERNATORIAL APPOINTMENT: **Chairman Brackett** said the first order of business was to consider a vote on the reappointment of Julie DeLorenze to the Idaho Transportation Board (ITB) to serve a term commencing January 31, 2015 and expiring January 31, 2021. The Committee had heard her testimony at the February 5, 2015 meeting.

Senator Winder said Ms. DeLorenze had done a great job on the ITB during her first appointment and she represented her district well.

MOTION: **Senator Winder** moved to send the gubernatorial appointment of Julie DeLorenze to the Idaho Transportation Board to the floor with a recommendation that she be confirmed by the Senate. **Senator Den Hartog** seconded the motion. The motion carried by **voice vote**. **Chairman Brackett** indicated he would carry her appointment on the Senate floor.

RS 23493 & RS 23552: **Chairman Brackett** then turned to **RS 23493** and **RS 23552** as the next order of business.

MOTION: **Senator Winder** moved to send **RS 23493** and **RS 23552** to print. **Senator Nonini** seconded the motion. The motion passed by **voice vote**.

ADJOURNED: With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 1:34 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AGENDA
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Thursday, February 12, 2015

SUBJECT	DESCRIPTION	PRESENTER
<u>H 44</u>	Adds a new section to Idaho Code to provide for a Rocky Mountain Elk Foundation specialty license plate.	Representative Kauffman
<u>RS23580</u>	Increases the efficiency of storage and maintenance of highway district public records and contracts to allow for the photographic or digital storage of records and release or destruction of paper records.	Laura Lantz , Idaho Association of Highway Districts
<u>RS23574</u>	Creates an America The Beautiful specialty license plate for an Idaho-based national charity. Proceeds from the sale of the plate will benefit Idaho's children and families, education issues, and military members and their families.	Roy Eiguren , Eiguren Fisher Ellis
<u>RS23576</u>	Amends, for clarification purposes, the statute that established a specialty license plate for use by Support Our Troops, a charitable organization.	Roy Eiguren , Eiguren Fisher Ellis
<u>RS23575C1</u>	Provides an option for specialty license plate customers to have the Idaho Transportation Department share their contact information with the sponsoring organization of their specialty license plate.	Roy Eiguren , Eiguren Fisher Ellis

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett	Sen Vick
Vice Chairman Nonini	Sen Den Hartog
Sen Keough	Sen Buckner-Webb
Sen Winder	Sen Lacey
Sen Hagedorn	

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
Phone: 332-1332
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MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Thursday, February 12, 2015
TIME: 1:30 P.M.
PLACE: Room WW53
MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog and Buckner-Webb
ABSENT/ EXCUSED: Senator Lacey

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 Brackett** convened the meeting of the Senate Transportation Committee (Committee) at 1:30 p.m. and welcomed everyone. He invited Representative Kauffman to the podium to present **H 44**.

H 44: **Representative Kauffman** said he was before the Committee to enlist support for a specialty license plate to benefit the Rocky Mountain Elk Foundation (RMEF). He said there are many prequalification steps before getting to this point in adding a specialty license plate. A group has to design the plate, it has to be a nonprofit 501(c)(3) federally designated tax exempt organization (which RMEF has been since 1984), the Idaho Transportation Department (ITD) requires a \$1,000 deposit, and the organization must gather the signatures of 250 Idahoans who own vehicles and indicate they will purchase this specialty license plate. Additionally, the organization must report to ITD and the two transportation committees in the Idaho Legislature annually. He realized that some believe there are already too many specialty license plates, however this plate has generated widespread enthusiasm. **Representative Kauffman** turned the rest of his presentation time over to Colin Hickman, Regional Director for Southern Idaho of RMEF.

TESTIMONY: **Mr. Hickman** said the mission of the RMEF was to ensure the future of elk, other wildlife, their habitat and Idaho's hunting heritage. RMEF is a leader in wildlife conservation, with a tremendous track record of conservation and land protection around the country and in Idaho. Its Idaho work is in land protection, habitat stewardship, and educational programs.

RMEF has completed 35 land protection projects and permanently protected over 32,000 acres in Idaho valued at over \$37 million dollars. In habitat stewardship, it has completed 363 projects enhancing over 380,000 Idaho acres. Nearly 70 projects at a cost of almost \$250,000 have encompassed their Idaho educational programs. They include: (1) the Shooting Access for Everyone (SAFE) program that teaches children about safe firearm handling and conservation; (2) a \$50,000 grant to the Idaho Department of Fish and Game (IDF&G) for expanding its Access Yes! Program; (3) \$67,000 to help rehabilitate and restore habitat decimated by wildfires; (4) a \$50,000 grant to the IDF&G to assist with its wolf management plan; (5) a \$100,000 Clearwater Basin Elk Nutrition Study; (6) a 2,000 acre permanent land protection project; and (7) two projects in Southeast Idaho. With its nearly 8,000 Idaho members, the value of the RMEF's efforts in Idaho is close to \$60 million. RMEF's hope is that their members will purchase these license plates to support the foundation and all it

does for wildlife, especially elk, in Idaho. **Mr. Hickman** thanked the Committee and stood for questions.

Senator Winder asked what the difference was between this plate and the existing elk plate. **Mr. Hickman** said the funds generated by sales of the existing elk plate benefit IDF&G.

Senator Den Hartog asked what the primary way RMEF raises money. **Mr. Hickman** said they conduct 17 events throughout Idaho with the largest being in Lewiston. They work with their major donors, but their primary source of income is from events. **Senator Den Hartog** wanted to know how much more money annually they were expecting in license plate sales. **Mr. Hickman** said their income was \$100,000 last year. They hope to receive an additional \$20,000 or \$30,000 from license plate sales.

Senator Hagedorn asked if there was a picture of the plate. **Mr. Hickman** showed the Committee a copy that he had brought with him. **Senator Hagedorn** thought that with the anticipated sales, the Highway Distribution Account (HDA) should received an additional \$3,500.

TESTIMONY:

Chairman Brackett recognized Representative Maxine Bell in the audience who was a co-sponsor and contact on **H 44**. Without taking the podium, **Representative Bell** thanked the Chairman and the Committee for hearing the bill.

Representative Kauffman closed by reminding the Committee this bill will bring money into Idaho and by asking them to send **H 44** to the floor with a do pass recommendation.

MOTION:

Senator Hagedorn moved to send **H 44** to the floor with a **do pass** recommendation. **Senator Keough** seconded the motion. The motion passed by **voice vote**. **Senator Vick** and **Senator Den Hartog** asked to be recorded as voting nay. **Senator Hagedorn** offered to carry the bill on the floor.

RS 23580:

Chairman Brackett thanked Representative Kauffman and Mr. Hickman. He invited Laura Lantz, Associate Director of the Idaho Association of Highway Districts (IAHD), to present **RS 23580**.

Ms. Lantz said this legislation mirrors language passed the previous year pertaining to county record keeping. It allows local highway districts to convert paper records into digital and electronic records. It would create a significant savings to highway districts and would allow for faster dissemination of records.

Ms. Lantz thanked the Committee and stood for questions. There were no questions for Ms. Lantz.

MOTION:

Senator Keough moved to send **RS 23580** to print. **Vice Chairman Nonini** seconded the motion. The motion passed by **voice vote**.

Chairman Brackett thanked Ms. Lantz and invited Roy Eiguren of Eiguren Fisher Ellis to the podium to present the next three agenda items.

Mr. Eiguren said he was presenting today on behalf of two clients, Live Laugh Love Give, Inc. and Support Our Troops, Inc. Martin Boire, President of both organizations, was in the audience. **Mr. Eiguren** said that Mr. Boire had moved both 501(c)(3) designated charities to Idaho from Florida.

RS 23574: **Mr. Eiguren** said that **RS 23574** is legislation replacing **S 1022**, the first version of the America The Beautiful specialty license plate. He asked the Chairman and the Committee to hold **S 1022** in Committee. This new legislation addresses some of the issues raised during the print hearing for **S 1022**, specifically how generated revenues would be used in Idaho. **Mr. Eiguren** and his clients consulted with ITD regarding provisions in statute or in the Idaho Constitution about keeping funds in the State. This version remedies those issues for this specialty license plate. He referred to the handout that specifically listed how the funds would be used and how distribution would be determined. **Mr. Eiguren** stood for questions.

Senator Winder appreciated the clarification and was happy the organizations have relocated to Idaho.

MOTION: **Senator Winder** moved to send **RS 23574** to print. **Senator Hagedorn** seconded the motion. The motion passed by **voice vote**. **Senator Den Hartog** asked to be recorded as voting nay.

RS 23576: **Mr. Eiguren** said this RS amends the existing statute authorizing the Support Our Troops specialty license plate. The changes reflect similar wording as the previous RS that speaks to keeping generated revenue in Idaho. He referred to the second handout, "Idaho Services Delivered". The handout shows the revenue collected from this plate and how it was distributed in Idaho. There has been \$120,000 raised since this plate was available in 2008. **Mr. Eiguren** stood for questions.

Chairman Brackett asked about the funding of the emergency backup generator for the Idaho Youth Challenge Academy (Academy). **Mr. Eiguren** said this was to support a program in Kooskia, Idaho. The Academy was set to open, but it needed a generator. The Idaho Adjutant General requested the funds, and the proceeds from the sale of Support Our Troops license plates helped fund it.

Vice Chairman Nonini said his car is licensed with the Support Our Troops plate. He wanted to verify that this legislation was not going to replace the current specialty license plate. **Mr. Eiguren** confirmed that Vice Chairman Nonini was correct.

Senator Den Hartog directed Mr. Eiguren's attention to page 1, lines 28 to 35, and asked why the new wording is less specific and broader in interpretation. **Mr. Eiguren** said it was written this way for ease of reading and to broaden the use of funds for the military and their families. The lines also show that the national Support Our Troops is based in Idaho.

MOTION: **Senator Nonini** moved to send **RS 23576** to print. **Senator Winder** seconded the motion. The motion passed by **voice vote**.

RS 23575C1: **Mr. Eiguren** said this final RS addresses the fact that current law, Idaho Code § 49-203(3), does not allow ITD to release the name, address and renewal date for a specialty license plate to the organization sponsoring the plate without the written consent of the plate holder. This RS implements that existing Idaho statute by providing a way for ITD to release the purchaser's information to the sponsoring organization. It is offered by checking a box on the specialty license plate application form. The proposed statutory language provides that the information may not be used for commercial purposes. This RS was reviewed by the staff of ITD's Department of Motor Vehicles (DMV). They suggested including the reference to Idaho Code § 49-203(3); they have no objection to **RS 23575C1**. **Mr. Eiguren** stood for questions.

Senator Hagedorn asked what was the purpose of bringing this RS to the Committee. **Mr. Eiguren** said it allows the sponsoring agency to thank the plate owner and inform them of where the funds raised were going. This is contained in statute in many states.

Vice Chairman Nonini appreciated the statement that the list cannot be used for commercial purposes. **Mr. Eiguren** said the opportunity to capture the list already exists in Idaho Code. ITD does not currently release that data.

Senator Keough said it was one thing to say "thank you" but how is the Committee assured that the lists will not be used for sales. **Mr. Eiguren** said any type of communication could be used.

Senator Den Hartog agreed with Senator Keough and is concerned about the State releasing that information. **Mr. Eiguren** said this discussion was appropriate and ITD explicitly worked out how any communication can be used.

Senator Winder reminded the Committee that these plates are voluntarily purchased. He wanted to know what the notification to the purchaser would be with regards to how their information goes to the sponsoring nonprofit. **Mr. Eiguren** said ITD could adopt administrative rules designing this process where a purchaser could "opt in" or "opt out" of sharing their information with the sponsoring organization.

Senator Den Hartog asked if ITD's website had information on where the funds go from the purchase of specialty license plates. Do buyers know where their money is going? **Mr. Eiguren** deferred to Chris Fisher of ITD's DMV to answer the question. **Ms. Fisher** said the information is available on the specialty license plate application and information they receive when applying, but there is no breakdown of how the funds are split.

Senator Hagedorn commented that he thought it brilliant that people who choose to purchase this specialty license plate can check a box on their application and get information about the sponsoring organization and where their funds are distributed.

MOTION: **Senator Hagedorn** moved to send **RS 23575C1** to print. **Senator Winder** seconded the motion.

SUBSTITUTE MOTION: **Senator Den Hartog** moved to hold **RS 23575C1** in Committee. **Senator Keough** seconded the motion.

Senator Winder said the issue was clear and did not know how the legislation could be amended. Those purchasing the specialty licence plate can either "opt in" or "opt out" of sharing their information with the sponsoring organization.

Mr. Eiguren said that existing statute says the information cannot be released except in limited circumstances.

Senator Keough said she seconded the substitute motion because she disagrees with the issue as a whole.

ROLL CALL VOTE ON SUBSTITUTE MOTION: **Chairman Brackett** called for a roll call vote. **Chairman Brackett, Senator Keough, Senator Vick, Senator Den Hartog** and **Senator Buckner-Webb** voted aye. **Vice Chairman Nonini, Senator Winder** and **Senator Hagedorn** voted nay. The motion passed.

ADJOURNED: **Chairman Brackett** adjourned the meeting at 2:15 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AGENDA
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Tuesday, February 17, 2015

SUBJECT	DESCRIPTION	PRESENTER
Minutes	Approve Minutes of the January 29, 2015 meeting.	Senator Keough and Senator Hagedorn
	Approve Minutes of the February 10, 2015 meeting.	Senator Vick and Senator Den Hartog
<u>S 1082</u>	Increases the efficiency of storing and maintaining highway district public records and contracts to allow for the photographic or digital storage of records and the release or destruction of paper records.	Laura Lantz , Idaho Association of Highway Districts
<u>S 1061</u>	Legislation to amend the process for electing local highway district commissioners.	Stuart Davis , Idaho Association of Highway Districts

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett
Vice Chairman Nonini
Sen Keough
Sen Winder
Sen Hagedorn

Sen Vick
Sen Den Hartog
Sen Buckner-Webb
Sen Lacey

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
Phone: 332-1332
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MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Tuesday, February 17, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey

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 Brackett** called the Senate Transportation Committee (Committee) meeting to order at 1:35 p.m. and welcomed all those in attendance. The first item on the agenda was to approve two sets of Minutes.

MINUTES APPROVAL: **Senator Keough** moved to approve the Minutes of January 29, 2015. **Senator Hagedorn** seconded the motion. The motion passed by **voice vote**.

Senator Den Hartog moved to approve the Minutes of February 10, 2015. **Senator Vick** seconded the motion. The motion passed by **voice vote**.

S 1082: **Chairman Brackett** welcomed Laura Lantz, Associate Director of the Idaho Association of Highway Districts, to the podium and asked her to present **S 1082**.

Ms. Lantz said this bill increases the efficiency in storing and maintaining public records and contracts as required by highway districts. It allows highway districts to store photographic or digital replicates of records and the subsequent release or destruction of its paper records. Highway districts can also incorporate by reference electronic or web-based versions of unsigned contract terms. Records will be indexed better, easier to search and easier to retrieve. The language mirrors that of the county legislation passed in 2014. **Ms. Lantz** thanked the Committee and stood for questions.

Senator Vick warned that the Internal Revenue Service (IRS) lost 30 days of data recently. He wanted to know how a similar incident would be prevented with the highway districts. **Ms. Lantz** said the bill mandates keeping two copies of the electronic format, one on-site and the other off-site in a secure storage unit.

TESTIMONY: **Chairman Brackett** welcomed Chelsea Keber, Legal Assistant for the Ada County Highway District (ACHD), to offer testimony in favor of the bill. **Ms. Keber** said she is charged with fulfilling requests for public records at ACHD. She has converted their records into digital format and has attended many workshops on the subject. Digital format makes retrieving documents requested much easier. It saves time, energy and physical space. The space saved at ACHD by converting to digital format can be used for other purposes like historical records or future expansion planning. Converting files also benefits government transparency. **Ms. Keber** thanked the Committee and stood for questions.

Senator Lacey asked if the conversion had been completed. **Ms. Keber** said in some areas it had, but they are still working on other areas.

MOTION: **Vice Chairman Nonini** moved to send **S 1082** to the floor with a **do pass** recommendation. **Senator Hagedorn** seconded the motion. The motion passed by **voice vote**. **Senator Nonini** offered to carry the bill on the Senate floor.

S 1061:

Chairman Brackett welcomed Stuart Davis, Executive Director of the Idaho Association of Highway Districts, to the podium to present **S 1061**.

Mr. Davis said that **S 1061** is an alternate bill for last year's S 1065 that passed the Senate but ran into trouble in the House, where it died. He and Chairman Brackett came up with this improved version. In more rural areas of Idaho it is difficult to get citizens to serve long terms on highway district boards. This bill calls for local highway district commissioners to serve a three year term, making it much easier for recruitment. Elections for highway district commissioners occur each year in November, meaning that only one commission district at a time is up for election. **Mr. Davis** said that two highway district commissioners, one from Post Falls and one from Twin Falls, were in the audience prepared to testify. **Mr. Davis** stood for questions.

Chairman Brackett said **S 1061** solves the problem of having two or sometimes all three commissioners up for election at the same time.

Senator Hagedorn asked what was different in this bill that would get it passed in both the Senate and the House. **Mr. Davis** said the length of terms was shorter and election of commissioners would occur each November, almost guaranteeing a larger voter turnout.

Senator Keough said there are 13 highway districts that have 2 commissioner districts on the ballot at the same time. How different is that from county commissioner races that are up at the same time? **Mr. Davis** said that having staggered election cycles allows for greater continuity in long term planning. Plus, it is easier to recruit for county commissioner openings because they get paid an annual salary. Highway district commissioners' pay is sporadic at best.

Vice Chairman Nonini asked how much highway district commissioners were paid. **Mr. Davis** said that highway district commissioners set their own salaries. They range from a lot to a little; some get paid by the month and others by the meeting. **Senator Winder**, who had been a ACHD commissioner at one time, said he believed his monthly salary had been between \$300 and \$600.

TESTIMONY:

Chairman Brackett welcomed Dave Burgess, Twin Falls Highway District Commissioner, to the Committee and asked him to take the podium to present testimony in favor of **S 1061**. **Mr. Burgess** said he had been a commissioner for three years but had been a manager for the highway district for 17 years prior to that. In total, he has been with the Twin Falls Highway District in some capacity for 38 years. The other two Twin Falls Highway District Commissioners were also in the audience to show their interest in **S 1061**. They all believed this bill would solve problems with the issues surrounding elections, especially when the other two commissioners are on the ballot in the same election cycle. The turnout for elections held in the spring is not very high, even though the commissioners oversee an annual budget of \$9 million. Usually about 200 people turn out to vote. If candidates have self-interest as their motivation to run, it is easy to get people to turnout to vote. There could be two new commissioners managing a \$9 million budget. That can cause problems. In addition, currently some commissioners have a six year term which is too long to get a commitment to serve; it takes a long time to teach someone the technicalities and processes of operating a highway district. Highway districts are small, there are 64 in the State, and some encompass 50 miles or less. **Mr. Burgess** said they like the idea of one commissioner being on the ballot each year; moving the election from May to November will have a larger turnout for elections. **Mr. Burgess** thanked the Committee and stood for questions.

Chairman Brackett asked if it was correct that there is a higher voter turnout when two or more highway districts are on the ballot. **Mr. Burgess** confirmed Chairman Brackett's assumption and added that there are four highway districts in Twin Falls County. Some counties have even more highway districts.

Senator Vick asked if there was a provision for a run-off election, or did the highest vote count win the election. **Mr. Burgess** said there was no provision for a run-off and the candidate with the most votes wins. There were no more questions for Mr. Burgess

TESTIMONY:

Chairman Brackett welcomed Terry Werner, Post Falls Highway District Commissioner, to the Committee and asked him to take the podium to present testimony in favor of **S 1061**. **Mr. Werner** said that as currently written, all three highway district commissioners could be on the same election ballot. Terms are staggered and length of terms vary. They manage a \$2.4 million budget; to possibly have three new commissioners managing the budget could be devastating. **Mr. Werner** thanked the Committee and stood for questions.

Vice Chairman Nonini thanked Mr. Werner for testifying. He asked him what Post Falls Highway District commissioners made. **Mr. Werner** said that the chairman receives \$700 per month, and the other 2 commissioners receive \$600 per month. They meet twice monthly.

Senator Hagedorn thanked Mr. Werner for his dedication and time. He wanted to know what incentives there were for highway districts to consolidate. **Mr. Werner** said there were four or five highway districts in Kootenai County. There was a study done to see if consolidation would be beneficial to the taxpayer. The recommendation was to not consolidate because of the large, rural nature of the county. There were no further questions for Mr. Werner.

Chairman Brackett asked Mr. Davis to retake the podium for closing remarks. **Mr. Davis** followed-up on a previous inquiry, ACHD commissioners made \$1,000 per month. He again thanked the Committee and said that there is a technical correction that needs to be addressed and asked the Committee to send **S 1061** to the 14th Order for amendment.

Senator Winder asked specifically what needed to be amended. **Mr. Davis** said that line 20 starts with "For a commissioner elected in 2013". The language does not address those commissioners elected prior to 2013. The bill should be cleaned up. **Senator Winder** said that the Senate would be going into the 14th Order the following day and wanted to know if Mr. Davis could be ready with an amendment by then. **Mr. Davis** said he thought he could and that the bill has an emergency clause, meaning the bill needed to be on the Governor's desk before March 25 in order to meet the 2015 election cycle.

MOTION:

Senator Winder moved to send **S 1061** to the 14th Order for amendment. **Vice Chairman Nonini** seconded the motion. The motion passed by **voice vote**. **Chairman Brackett** offered to carry the bill on the Senate floor.

ADJOURNED:

With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 2:08 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AGENDA
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Thursday, February 19, 2015

SUBJECT	DESCRIPTION	PRESENTER
Minutes	Approve Minutes of the January 27, 2015 meeting.	Senator Winder and Senator Buckner-Webb
Page Graduation	Farewell to Committee Page Paul Kennedy of Boise.	Chairman Brackett
Page Welcome	Welcome to Committee Page Molly Ashby of Meridian.	Chairman Brackett
Gubernatorial Appointment	Introduction of Rodger Lee Sorensen of Soda Springs. Reappointment to the Idaho Transportation Department's Aeronautics Advisory Board to serve a term commencing January 31, 2015 and expiring on January 31, 2020.	Jerry Whitehead , Chairman, Idaho Transportation Board Rodger Lee Sorensen , Chairman, Aeronautics Advisory Board
S 1083	Creates an America The Beautiful specialty license plate for an Idaho-based national charity.	Roy Eiguren , Eiguren Fisher Ellis
S 1084	Amends the statute establishing a specialty license plate for use by Support Our Troops, a charitable organization.	Roy Eiguren , Eiguren Fisher Ellis

If you have written testimony, please provide a copy of it to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett	Sen Vick
Vice Chairman Nonini	Sen Den Hartog
Sen Keough	Sen Buckner-Webb
Sen Winder	Sen Lacey
Sen Hagedorn	

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
Phone: 332-1332
email: stran@senate.idaho.gov

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Thursday, February 19, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey

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 Brackett** called the meeting of the Senate Transportation Committee (Committee) to order at 1:30 p.m. and welcomed all in attendance.

MINUTES APPROVAL: **Senator Winder** moved to approve the Minutes of January 27, 2015. **Senator Buckner-Webb** seconded the motion. The motion passed by **voice vote**.

PAGE GRADUATION: **Chairman Brackett** reminded the Committee that Friday marked the end of Paul Kennedy's term as Committee Page. **Chairman Brackett** continued that Mr. Kennedy had been a good addition to the Committee and had been very helpful to Committee members both in Committee and on the Senate floor. He invited Mr. Kennedy to take the podium and share his observations and experience with the Committee.

Mr. Kennedy extended his heartfelt thanks to the Committee. He said he had an unbelievable experience due, in no small part, to the kindness shown him by the Committee members. He said the Committee had been a welcoming and comfortable environment. He particularly thanked the Committee Chairman and the Committee Secretary. **Mr. Kennedy** stood for questions.

Knowing that Mr. Kennedy was planning on attending Vassar College in New York in the fall, **Senator Winder** commented that Vassar had been an all women's college for many years and still maintained a high ratio of women to men students. He asked if that information played a role in making his decision. **Mr. Kennedy** said there was no correct way to answer the question and suggested the Senator use reasoning in determining his motivation. **Senator Buckner-Webb** pointed out that Vassar had been coeducational for the past 45 years.

Senator Hagedorn asked Mr. Kennedy to describe his toughest situation and how he had gotten through it. **Mr. Kennedy** said that his interests include many topics and he had accidentally attended House committee hearings while wearing his Senate red vest. The repercussions weren't too severe. He thought that perhaps the song he performed at the Page graduation on the Senate floor could be considered one of his toughest situations.

Senator Vick asked for his thoughts on wearing the red sweater vest each day. **Mr. Kennedy** said that it was great at first, but after so many weeks it had become like a phantom that follows him. He also thought it was very bright.

Senator Winder reminded him that he had said he would share some of his artwork with the Committee. **Mr. Kennedy** said that as a thank you he had drawn a portrait of each Committee member that he would personally give to each after the meeting. There were no further questions for Mr. Kennedy.

Chairman Brackett again thanked Mr. Kennedy and presented him with a letter of recommendation from the Committee as well as gifts showing the Committee's appreciation for his time and work.

**PAGE
WELCOME:**

Chairman Brackett welcomed the Committee's new Senate Page, Molly Ashby of Meridian. **Chairman Brackett** asked her to take the podium and introduce herself to the Committee.

Ms. Ashby said she was a senior at Rocky Mountain High School in Meridian. She thanked the Committee for the opportunity to work with them and said that she was looking forward to the experience. **Ms. Ashby** said she would enjoy answering any questions.

Senator Den Hartog said she has had an opportunity to get to know Ms. Ashby over the past few years. She asked what Ms. Ashby's interests were. **Ms. Ashby** said she thought being a Senate Page would enhance her interest in both history and government. There were no further questions for Ms. Ashby.

**GUBERNATORIAL
APPOINTMENT:**

Chairman Brackett thanked both Mr. Kennedy and Ms. Ashby for their service to the Legislature. He then welcomed Mr. Jerry Whitehead, Chairman of the Idaho Transportation Board (ITB), and invited him to the podium to introduce Rodger Lee Sorensen of Soda Springs, Idaho who had been reappointed to the Idaho Transportation Department's (ITD) Aeronautics Advisory Board to serve a term commencing on January 31, 2015 and expiring on January 31, 2020.

Mr. Whitehead said he could not say enough good things about Mr. Sorensen. He had been a commercial pilot for 53 years and had travelled throughout the world. He had served as the past chairman of the Caribou County Republican Party. **Mr. Whitehead** said Mr. Sorensen knew about every aspect of aviation and that he wholeheartedly supported Mr. Sorensen's reappointment as the chairman of the Aeronautics Advisory Board.

Chairman Brackett thanked Mr. Whitehead and invited Mr. Sorensen to take the podium. **Mr. Sorensen** thanked the Committee and spoke of how much he enjoyed serving as chairman of the Aeronautics Advisory Board. Born in Grace, Idaho, he was raised on a barley wheat farm where he learned at an early age it was easier to drive a truck than it was to harvest crops. He received his private pilot's license for a single engine plane in 1963. In 1965 he began airline pilot training in Billings, Montana and was hired by Northwest Airlines in 1966. He was assigned to their pilot base in Seattle to fly Boeing 707s both domestically and on international routes to the Far East. During his years at Northwest Airlines, he was contracted through the Military Airlift Command to ferry troops and cargo from military bases on the west coast to the Vietnam War theater of operations. He shared many exciting and interesting stories of his days as a commercial pilot including his flight from Detroit to Tokyo on September 11, 2001.

Mr. Sorensen said that from 1975 until his retirement in 2001 he and his wife lived and raised their five children in Soda Spring, Idaho. He would commute to his pilot bases in Seattle, Minneapolis, Los Angeles, Detroit and New York. As captain on Boeing's 727, 747 and 747-400 aircraft he flew varying routes from the United States and Europe to the Central Pacific, Far East and Australia. He began his service on the Idaho Aeronautics Board in 2002 and looks forward to another five-year term. **Mr. Sorensen** stood for questions.

Senator Winder thanked Mr. Sorensen for his service and asked if the Forest Service was cooperating with access to remote airstrips in Idaho. **Mr. Sorensen** said there were differences of opinion on how small aircraft access should be handled, but he was hopeful that a conclusion on the issue would be forthcoming within the next couple of months. There may be a swapping of airstrips for property between the Forest Service and the State of Idaho, but nothing is yet concrete. There were no further questions for Mr. Sorensen.

Chairman Brackett thanked Mr. Sorensen and reminded him that the Committee would vote on his nomination at a future Committee meeting.

TESTIMONY:

Chairman Brackett welcomed Trent Clark, a resident of Soda Springs, friend of Mr. Sorensen and employee of Monsanto based in Soda Springs, to the podium and invited him to offer testimony about this nomination. **Mr. Clark** said that Mr. Sorensen was a pillar in their home community of Soda Springs and a man of impeccable character. He had flown every type of aircraft imaginable and would often invite Mr. Clark to breakfast, surprising him as to where they would end up. **Mr. Clark** urged the Committee to consider all those factors as they vote to confirm the Governor's appointment. **Mr. Clark** stood for questions, but there were none.

S 1083:

Chairman Brackett thanked Mr. Clark and invited Roy Eiguren of Eiguren Fisher Ellis to the podium to present **S 1083**.

Mr. Eiguren said he was representing two charities, Live, Laugh, Love, Give, Inc. and Support Our Troops. Martin Boier, President of both organizations, was in the audience and ready to respond to questions. **Mr. Eiguren** then referred to the handout depicting a colored copy of the America The Beautiful specialty license plate and the Support Our Troops! specialty license plate. **Mr. Eiguren** reminded the Committee that Mr. Boier had relocated the organizations' headquarters office from Florida to Idaho in 2013.

S 1083 provides for the America The Beautiful specialty license plate. Revenue from sales of the plate benefit spouses of those Idahoans serving in the military and provides educational grants for public and private purposes. It even benefits those Idaho members of the military serving outside of Idaho. **Mr. Eiguren** stood for questions.

Senator Den Hartog asked if the America The Beautiful license plate was considered to be a military plate. If so, she wanted to know how it differs from the Support Our Troops! plate, if they were competing for the same funds, and if the revenue would be used for the same purposes. **Mr. Eiguren** deferred to Mr. Boier to answer the question. **Mr. Boier** said they are not duplications. Overhead is always at three percent because of the efficient and shared business practices. As for the most effective use of the funds, he said that efficiency is their standard model.

Senator Keough asked if any of the revenue was used for administrative costs like office space, upkeep, supplies, etc.; did it all go towards helping veterans. **Mr. Boier** said there are always administrative costs involved with business. His organizations pride themselves on keeping their overhead costs at or under three percent. He said that in some cases those costs can amount to as high as 25 percent. He likened a charity's operation to the function of a garden hose: Run as much through it as possible and little will stick to the walls. There were no further questions for Mr. Boier.

TESTIMONY:

Chairman Brackett welcomed Richard Turner, President of the Idaho Youth Challenge Foundation (Foundation), to the podium to testify in favor of **S 1083**. **Mr. Turner** said that Mr. Boier has been a big help to the Foundation in providing emergency assistance to service men and women whose families were left behind in Idaho. It alleviates the stress on those serving abroad. Live, Laugh, Love, Give, Inc. has provided help when needed. He shared the story of the Foundation receiving a generator to keep the lights on and provide heat for the student residents at one of their camps. **Mr. Turner** thanked the Committee and stood for questions.

Senator Hagedorn asked about the capacity of the generator. **Mr. Turner** said it was over 10,000 watts and they had to build a big pad in the City of Pierce to house it.

Senator Hagedorn commented that he had spent some time in the industries section at the prison to learn how license plates are made. The process has evolved over the years. Instead of stacks of pre-pressed plates, now plates can be printed as needed. The process has gotten extremely efficient. Regular license plates cost about \$24 a piece, but specialty license plates bring in much more revenue than that. The Department of Motor Vehicles (DMV) is one of three profit centers in the State. Printing specialty license plates is a win-win for the State and the funds to the sponsor flow to places and people with needs.

MOTION:

Senator Hagedorn moved to send **S 1083** to the floor with a **do pass** recommendation. **Senator Nonini** seconded the motion.

Senator Den Hartog said she did not dispute the good these non-profits do in their communities, but the purpose here seems very broad where other non-profits are very specific as to what they fund. She said she would not support the legislation.

Senator Keough said she echoes Senator Den Hartog's concerns. **Senator Keough** is familiar with the forestry license plate where all of the money raised goes into forest land and none of the funds go to overhead. She said she was uncomfortable with granting a franchise on a taxpayer supported agency.

ROLL CALL VOTE:

Chairman Brackett called for a roll call vote. **Chairman Brackett, Vice Chairman Nonini, Senators Winder, Hagedorn, Buckner-Webb and Lacey** voted aye. **Senators Keough, Vick and Den Hartog** voted nay. The motion passed. **Senator Hagedorn** offered to carry the bill on the floor.

S 1084:

Chairman Brackett invited Mr. Eiguren to present **S 1084**. **Mr. Eiguren** said this bill modifies the Support Our Troops! specialty license plate. The money raised supports the military with some charity changes from what the America The Beautiful license plate supports. **Mr. Eiguren** stood for questions.

Senator Hagedorn asked if an annual report was filed. **Mr. Eiguren** said they do and that all specialty license plate sponsors must supply an annual report to ITD. It is available to the Legislature as well. **Senator Hagedorn** asked what comprises their annual report. **Mr. Eiguren** said it includes the distribution of funds and other information the organization deems important. There were no further questions for Mr. Eiguren.

TESTIMONY:

Chairman Brackett invited Mr. Turner to testify in support of **S 1084**. **Mr. Turner** said funds from the Support Our Troops! license plate help support the Idaho Guard and the Reserve Family Support Fund. It helps care for the families of the Idaho troops serving their country. There were no questions for Mr. Turner.

MOTION:

Vice Chairman Nonini moved to send **S 1084** to the floor with a **do pass** recommendation. **Senator Winder** seconded the motion. The motion passed by **voice vote**. **Vice Chairman Nonini** offered to carry the bill on the floor.

ADJOURNED: With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 2:30 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AGENDA
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Tuesday, February 24, 2015

SUBJECT	DESCRIPTION	PRESENTER
Minutes	Approve the Minutes of the February 3, 2015 meeting.	Senator Nonini and Senator Lacey
Vote on Gubernatorial Appointment	The Governor's reappointment of Rodger Lee Sorensen to the Idaho Transportation Department's Aeronautics Advisory Board to serve a term commencing January 31, 2015 and expiring on January 31, 2020	Chairman Brackett
Unanimous Consent Request to Send RS23688 to the Senate State Affairs Committee for Printing	Facilitates the development of autonomous driven vehicles and provides for testing them on Idaho highways.	Chairman Brackett
H 96	Allows the State to submit a compliance extension of the Real ID Act to the Department of Homeland Security.	Chairman Brackett
H 43	Consolidates and streamlines the violations, penalties, and appeals provisions in the Motor Fuels Act, and clarifies the definition of "dyed diesel" fuel to mean marked at a refinery or terminal in order to prevent dying not allowed by federal law.	Michael Chakarun, Idaho State Tax Commission

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett	Sen Vick
Vice Chairman Nonini	Sen Den Hartog
Sen Keough	Sen Buckner-Webb
Sen Winder	Sen Lacey
Sen Hagedorn	

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
Phone: 332-1332
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MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Tuesday, February 24, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey

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 Brackett** convened the meeting of the Senate Transportation Committee (Committee) at 1:35 p.m. and welcomed everyone.

MINUTES APPROVAL: **Vice Chairman Nonini** moved to approve the Minutes of February 3, 2015. **Senator Lacey** seconded the motion. The motion passed by **voice vote**.

GUBERNATORIAL APPOINTMENT: **Chairman Brackett** asked the Committee to consider voting on the gubernatorial reappointment of Rodger Lee Sorensen to the Idaho Transportation Department's (ITD) Aeronautics Advisory Board to serve a term commencing January 31, 2015 and expiring on January 31, 2020.

Senator Winder said that he met Mr. Sorensen 15 years ago when he was first appointed to the Aeronautics Advisory Board. He said that Mr. Sorensen's knowledge of commercial and private aviation has been invaluable to his position as chairman on the Aeronautics Advisory Board.

Senator Winder moved to send the gubernatorial appointment of Rodger Lee Sorensen to the Aeronautics Advisory Board to the floor with a recommendation that he be confirmed by the Senate. **Senator Keough** seconded the motion. The motion passed by **voice vote**. **Senator Winder** offered to carry Mr. Sorensen's appointment on the floor.

PASSED THE GAVEL: Chairman Brackett passed the gavel to Vice Chairman Nonini.

RS 23688: **Vice Chairman Nonini** invited Chairman Brackett to present **RS 23688**. **Chairman Brackett** said that **RS 23688** facilitates the development of an autonomous driven vehicle industry in Idaho. **Chairman Brackett** stood for questions, but there were none.

UNANIMOUS CONSENT REQUEST: **Senator Lacey** asked for unanimous consent to send **RS 23688** to the Senate State Affairs Committee for printing. There were no objections.

H 96: **Vice Chairman Nonini** invited Chairman Brackett to present **H 96**. **Chairman Brackett** said the United States Congress passed the Real ID Act (RIA) in 2005 in response to the September 11, 2001 terrorist attacks. The estimated cost to enact the legislation was between \$20 and \$30 million, with an ongoing annual cost of \$5 million.

In 2008, the Idaho Legislature unanimously passed H 606 which became Idaho Code § 40-322. The Legislature saw RIA as an unfunded mandate. H 606 passed unanimously.

The primary unknowns at that time were changes that were to come later in the enforcement schedule. There is a series of deadlines that the State has not been meeting. The most recent was Phase 3a – Facility Security Levels 1 and 2, with a compliance deadline of January 19, 2015. The impact to Idaho was that entrance into the Idaho National Laboratory (INL) had been restricted based on RIA enforcement of Phase 3a. Idaho's driver's licenses and identification cards are no longer accepted for entry. Passports are now required. Beginning in October, 2015, that prohibition will extend to all secure federal facilities, including military bases, research labs and federal courts. Starting no sooner than 2016, Idaho licenses also won't be valid for boarding commercial airline flights. **Chairman Brackett** read through the bill explaining the effect of each section and emphasizing the emergency clause at the end of the bill making it effective when signed by the Governor.

Passage of **H 96** will demonstrate to the Department of Homeland Security (DHS) that the State of Idaho is making progress on their benchmarks and timetables. The State will submit compliance extension requests and status reports to DHS. There is an expectation that ITD will take reasonable and necessary steps to enhance the security of Idaho's driver's licenses and identification cards to ensure their acceptance for commercial airline travel within the United States. ITD shall report to the Senate and House Transportation Committees on their progress toward upgrading and implementing the Division of Motor Vehicle's (DMV) automated system. **Chairman Brackett** stood for questions.

Vice Chairman Nonini thanked Chairman Brackett and asked the Committee to hold their questions for Chairman Brackett until Alan Frew, ITD's Motor Vehicles Department Administrator, shared his testimony. **Vice Chairman Nonini** welcomed Mr. Frew to the podium.

TESTIMONY:

Mr. Frew thanked Chairman Brackett for accurately outlining the current situation. The State of Idaho is in noncompliance with the federal RIA. He referred the Committee to their map handout depicting the status of the 50 states with regard to the implementation of RIA. Those states in noncompliance are: Idaho, Arizona, Louisiana, New Hampshire and Maine. Those in light green are operating in approved extensions, those in dark green are in full compliance, Minnesota and New York have an enhanced driver's license that is RIA compliant. **Mr. Frew** stood for questions.

Senator Vick drew Mr. Frew's attention to page 1, lines 33 and 34, which says "to ensure their (driver's licenses and ID cards) acceptance for commercial airline travel." This is what will impact people the most. He wanted to know what Idaho needed to do to be compliant with airline travel. **Mr. Frew** said there are several enhancements that need to be made. The requirements of RIA are extensive and onerous. ITD needs to collect and scan breeder documents like birth certificates and documents establishing a legal presence in the United States. They would also scan documents for resident aliens who are also subject to enforcement under RIA. In 2011, IBM estimated it would cost Idaho between \$20 million and \$30 million to comply with RIA, and \$5 million per year to operate it once it's built. If Idaho asks for extensions, ITD will identify which items will be accomplished during the period of the extension. When that expires, ITD will identify other requirements they will accomplish during the time of the next extension, and so on. **Mr. Frew** said he could provide a list of requirements for the Committee. **Senator Vick** asked if those requirements were needed just to travel on airlines or would they make Idaho fully compliant. **Mr. Frew** said that ITD would be requesting extensions. Each of them would delineate those requirements Idaho would be coming into compliance with. They are part of RIA but would not make Idaho fully compliant. It is counter-intuitive, but it is what DHS allows. The states in light green on the map are in a similar phase of

operating under extensions. As long as a state is operating under an extension, an Idaho ID card or driver's license will be accepted to board a commercial airplane. **Senator Vick** said there were other concerns besides the cost of complying with RIA, like privacy issues. He wanted to know if those concerns were still valid and how ITD was considering those concerns. **Mr. Frew** said that in 2006 there were several things not in place with the requirements of RIA. All of those issues caused former Representative Phil Hart to bring forward the resolution stating Idaho would not comply. **Mr. Frew** said that Wyoming was fully compliant, and there have been no privacy or data breaches. He suggested that circumstances have changed since RIA was initiated.

Senator Lacey asked if the extension allowed holders of Idaho driver's licenses to enter federal facilities or if it just made them able to get on commercial airlines. **Mr. Frew** said the same rules would apply to both if Idaho was under an extension.

Senator Hagedorn wanted to make sure he understood the distinction in the colors on the RIA enforcement map. **Mr. Frew** confirmed the color distinction of each state on the chart: dark green is compliant, dark blue is noncompliant, light green is operating under extensions, and light blue is not fully compliant but they have an enhanced driver's license that is compliant with RIA.

Senator Buckner-Webb asked if Idaho was only asking for extensions and wondered if Idaho would ever be compliant. **Mr. Frew** said that in the process of accepting an extension, ITD will tell DHS what ITD expects to accomplish in getting closer to becoming compliant. ITD would list some of the incremental items to be accomplished in a specified time period. ITD would file a report of their success in achieving those accomplishments at the end of the time period.

Senator Buckner-Webb asked if all ITD was doing was notifying DHS that ITD did what ITD said it would do. **Mr. Frew** said that it sounds counter-intuitive, but she was correct. Other extension states are doing the same.

Senator Keough said she would like a list of the items ITD needs to do to become compliant. **Mr. Frew** said he would provide the requirements needed to become compliant. **Senator Nonini** asked Mr. Frew to submit that list to the Committee Secretary.

Senator Hagedorn asked how the delay in the DMV modernization program played into implementing RIA. **Mr. Frew** said that the DMV had an order for accomplishing things; the extension for RIA compliance will change that order. He said they will continue to modernize the system. It has a five-and-a-half year timeline.

Chairman Brackett asked if passing **H 96** will allow ITD to request an extension. **Mr. Frew** said that passage and the Governor's signature are required, but some steps are ready to go and the request can be sent the day the bill is signed.

Vice Chairman Nonini asked how long the states that are compliant worked to achieve compliance. **Mr. Frew** said after RIA was signed into federal law, DHS had to provide guidelines. Wyoming became compliant in 2013. **Vice Chairman Nonini** asked if Idaho would remain out of compliance during the five-and-a-half years of DMV modernization. **Mr. Frew** said ITD had been prohibited from becoming fully compliant, **H 96** unties ITD's hand from requesting extensions. **Vice Chairman Nonini** asked if the light green states are approved for extensions submitted each year. **Mr. Frew** said that was correct, and as long as the State meets the listed requirements, extensions would be granted. He was not aware of any states not granted extensions. An extension means there would not be a time when an Idaho driver's license would not be accepted. There were no further questions for Mr. Frew.

Vice Chairman Nonini noted that no one had signed up to testify and asked Chairman Brackett to offer his closing remarks.

Chairman Brackett thanked Vice Chairman Nonini and Mr. Frew. He said that to answer Senator Vick's question, Idaho enacted legislation in the first place because of a fear of federal overreach, a violation of the 10th Amendment to the United States Constitution, and RIA was an unfunded mandate to the states. Those arguments could still be present in some ways and that is why the bill asks to allow ITD to show progress and request extensions and not to fully comply with RIA.

Vice Chairman Nonini thanked Chairman Brackett.

Senator Winder also thanked Chairman Brackett for working on this interim solution to a difficult concern.

MOTION:

Senator Winder moved to send **H 96** to the floor with a **do pass** recommendation. **Senator Hagedorn** seconded the motion. The motion passed by **voice vote**. Chairman Brackett will carry the bill on the floor.

PASSED THE GAVEL:

Vice Chairman Nonini returned the gavel to Chairman Brackett.

H 43:

Chairman Brackett thanked Vice Chairman Nonini and invited Michael Chakarun of the Idaho State Tax Commission to the podium to present **H 43**.

Mr. Chakarun said that **H 43** was intended to make housekeeping changes with little or no policy changes while omitting duplication and simplifying the reading of Idaho Code, Title 63, Chapter 24, the Fuels Tax. It repeals five sections of the code and adds four new section using current language. Specifically, **Mr. Chakarun** described the changes as: (1) changing the name of "Distributor's License" to "Motor Fuel Distributor License"; (2) adding "Limited Distributor License" from Idaho Code § 42-4903(17) to the chapter on Fuels Tax; (3) adding appeals procedures for denial of a distributor license; (4) adding restrictions on bond waivers and raising bond limits for reinstatement of revoked motor fuel distributor licenses; and (5) clarifying when a "Qualified Consumer" must obtain a motor fuel distributor license. He concluded his presentation by summarizing the bill, section by section, and stated that violations were moved into one section and all categories were consolidated into one section of code instead of being spread throughout multiple chapters. **Mr. Chakarun** stood for questions.

Vice Chairman Nonini asked if the language on page 7 for the Petroleum Clean Water Trust Fund was relocated or if it was new. **Mr. Chakarun** said the language was placed in Fuels Tax because that's where it should be and it makes it easier to understand.

Senator Hagedorn asked if there are additional changes to sections of Idaho Code because of moving sections from other chapters into this chapter. **Mr. Chakarun** said there were none to his knowledge and that the substance has not changed.

Senator Vick asked about the reference to the International Fuel Tax Agreement (IFTA) and whether it had to be updated as these amendments are made. **Mr. Chakarun** confirmed the Senator was correct. **Senator Vick** asked if all states complied with IFTA. **Mr. Chakarun** said they did to keep the agreement viable. **Senator Vick** asked if Administrative Rules needed to be changed in order to comply with the section changes. **Mr. Chakarun** said they would look at this but thought the process could be streamlined. There were no further questions for Mr. Chakarun.

Chairman Brackett thanked Mr. Chakarun and Mr. Williams. No one had signed up to testify.

Senator Winder commented that the dyed diesel fuel issue needs to get resolved in order to stop the loss of revenue.

MOTION:

Senator Hagedorn moved to send **H 43** to the floor with a **do pass** recommendation. **Senator Lacey** seconded the motion. The motion passed by **voice vote**. **Senator Keough** offered to carry the bill on the floor.

ADJOURNED:

With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 2:37 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AGENDA
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Thursday, February 26, 2015

SUBJECT	DESCRIPTION	PRESENTER
Minutes	Approve the Minutes of the February 17, 2015 meeting.	Vice Chairman Nonini and Senator Keough
Presentation	Annual update from the Local Highway Technical Assistance Council (LHTAC).	Jeff Miles , LHTAC Interim Administrator and Don Ebert , LHTAC Council Chair
<u>H 70</u>	Sets tire load limits for inch-width of tire on a vehicle's front steering axle.	Jerry Deckard , CapitolWest Public Policy Group

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett
Vice Chairman Nonini
Sen Keough
Sen Winder
Sen Hagedorn

Sen Vick
Sen Den Hartog
Sen Buckner-Webb
Sen Lacey

COMMITTEE SECRETARY

Gaye Bennett
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Phone: 332-1332
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MINUTES
SENATE TRANSPORTATION COMMITTEE

Thursday, February 26, 2015

- TIME:** 1:30 P.M.
- PLACE:** Room WW53
- MEMBERS PRESENT:** Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey
- 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 Brackett** called the meeting of the Senate Transportation Committee (Committee) to order at 1:31 p.m. and welcomed everyone.
- MINUTES APPROVAL:** **Vice Chairman Nonini** made a motion to approve the Minutes of February 17, 2015. **Senator Keough** seconded the motion. The motion passed by **voice vote**.
- PRESENTATION:** **Chairman Brackett** welcomed Jeff Miles, the Interim Administrator of the Local Highway Technical Assistance Council (LHTAC), and Don Ebert, LHTAC Council Chair, to the Committee and invited them to begin their presentation.
- Mr. Ebert** thanked the Committee for the opportunity to speak on behalf of LHTAC. He serves as the chairman of LHTAC and, for the past 12 years, has also served as a Clearwater County Commissioner.
- LHTAC represents 288 local jurisdictions and has existed for 20 years. The council is made up of nine voting members; three each from counties, cities and highway districts. There are ex-officio members as well representing stakeholder groups. The council approves all LHTAC full-time positions, accepts programs from the Idaho Transportation Department (ITD), and ranks construction projects in order to make recommendations to the Idaho Transportation Board (ITB).
- With recent changes in administration, LHTAC needs data on what they do well, what they should do better and how they can improve fulfilling their mission. To accomplish that, they hired an inexpensive outside consultant to gauge how they are perceived by their peers and their customers. LHTAC's council board has also directed staff to engage in self-assessment and suggest possible efficiencies and cost-savings. As an example, **Mr. Ebert** offered the way LHTAC replaces small bridges. The way a bridge is designed and constructed costs an incomprehensible amount of money and involves a complex process. The Idaho Department of Lands could replace that same bridge with a prefabricated unit installed by a logging contractor in a few days. The differences are because of required, established regulations and a mindset of that is how it has always been done. As a result, LHTAC has gotten permission to use the same design for any bridge within certain size parameters; they believe this change will save hundreds of thousands of dollars.

Mr. Ebert said that another goal is to find ways LHTAC can be more responsive and more efficient. Their goal is to make the right changes, and their intent is to be courageous in their pursuit of new ways to do business. He closed by stating that LHTAC plans on being confident enough to assert that they do some things well, humble enough to know they need to do some things better, and honest enough to look within their organization to see the truth about themselves, and the changes they need to make. **Mr. Ebert** thanked the Committee and stood for questions. There were no questions for Mr. Ebert.

Mr. Miles took the podium and said that LHTAC was formed by the Legislature in 1994 to elevate the importance of local highway issues and to provide assistance to them. He went through a brief timeline of the programs LHTAC assumed and their responsibilities since inception. Before LHTAC existed, only 61 percent of local projects were constructed. There were years where no city projects made it to construction. In 2001, LHTAC accepted ITD's federal aid responsibilities, and all eligible projects have made it to construction.

Mr. Miles said that LHTAC is the most efficient and balanced way to get federal dollars to local jurisdictions. Their base funding amounts to about one-third of one percent of the local jurisdiction's share of the Highway Distribution Account (HDA) funds. In 2014 LHTAC received approximately \$391,000 from the HDA funds.

LHTAC's goal is to advocate, support and train. They have 22 approved, full-time positions that administer programs and ensure federal requirements are met as stipulated in the Stewardship Agreement with ITD. In 1994, when LHTAC was first created by the Legislature, the sole responsibility of staff was to provide technical assistance and advocate for the interest of local jurisdictions. 2001 was the initial year of federal funds administration. The number of staff has increased as LHTAC accepted additional programs and responsibilities from ITD. All permanent staff increases are approved by LHTAC's council.

LHTAC advocates for local jurisdictions. They provide technical assistance to every local jurisdiction, no matter their size. They continue to strengthen their partnerships with agencies, associations and local entities. They collaborate to streamline processes; they find ways to incorporate innovation; and, they compile and disseminate data. Through the stewardship agreement with ITD, they administer federal funds to local projects. No services are duplicated between the two agencies. Currently, only LHTAC and the Ada County Highway District (ACHD) can administer federal transportation funds in the State. To date, LHTAC has administered 142 construction projects.

The Local Rural Highway Investment Program (LRHIP) exchanges federal funds for State funds to be awarded through grants. Grant applications are scored by the council. Local jurisdictions receive the funds, administer the projects and report upon completion. Those funds are available to help rural jurisdictions with construction projects, sign upgrades, transportation plans and small emergency projects. Since 2004, LHTAC has awarded 443 projects totaling \$28 million.

In 2011, LHTAC negotiated with ITD to create a new program to address safety issues on the local system. It is the Local Highway Safety Improvement Program. 2014 was the first construction year for applications distributed in 2011. Funds from this program are aimed at reducing fatal and serious injury crashes on the local road system. Applications are data driven and are ranked based on a cost/benefit ratio. Projects can range from small signage improvements to signal or shoulder widening projects. Over the last 5 years, 49 percent of fatal and serious injury crashes occurred on local highway systems. LHTAC administers close to \$3.9 million annually for the design and construction of safety projects.

In 2009, LHTAC began providing training for all local highway jurisdictions through its T2 Center that offers two levels of certification programs: (1) the Road Scholar; and (2) the Road Master. Class topics cover maintenance, new technologies, safety and professional development. To date LHTAC has awarded 250 Road Scholars and 91 Road Masters.

LHTAC also publishes and distributes Technical News, the LHTAC Times and other pertinent publications. LHTAC prides itself on providing efficient assistance to each and every local highway jurisdiction in Idaho. **Mr. Miles** thanked the Committee and stood for questions.

Senator Vick asked Mr. Miles to go to the slide depicting a bar graph of the funds administered over the years. He wanted to know if those represented new funding or if another entity had administered them before LHTAC existed. **Mr. Miles** said that some had been administered by ITD, some by the University of Idaho and some by the Governor's office when an emergency is called. **Senator Vick** asked for the origin of the funds for safety programs. **Mr. Miles** said those are federal funds administered through the Move Ahead for Progress in the 21st Century Act (MAP-21) appropriation that allowed increased funding to be spread into local jurisdictions.

Chairman Brackett asked for clarification on the number of employees at LHTAC. **Mr. Miles** said there were 22 full-time employees of which one position was vacant; there are occasional part-time employees during heavy workload seasons, all of which are approved by the council.

Senator Hagedorn inquired about the funding slide and why it states that LHTAC administered \$24 million in 2014, but their annual report indicates only \$4.5 million for the same period. **Mr. Miles** said the total budget includes local highway funds given through local highway grants where programs are covered through reimbursement. The base is enhanced by other funds that are run through projects.

Senator Lacey commented on the cover of the annual report. It is a beautiful area of Pocatello where he has run many times. He said the sources of funding are confusing and wanted to know the amount of funds that they directly administer and if they then distributed them to projects. **Mr. Miles** said the funds are managed through ITD who processes and distributes payment. Other program funds come directly to LHTAC, and the projects awarded funding are distributed directly by LHTAC.

Senator Hagedorn, referring to the LHTAC annual report, asked what percentage of the \$5.8 million revenue was distributed to local jurisdictions and what percentage went to LHTAC's administrative costs. **Mr. Miles** said that he was not certain of the percentage, but annual staff wages are about \$900,000. He said he would send that information to the Committee.

Chairman Brackett asked Mr. Miles to elaborate on the T2 Program. **Mr. Miles** said it is partially funded with federal dollars and partially funded through a dollar match. The courses are made available across the State culminating in a Road Scholar award and a Road Master award. There is an advisory group that oversees the program. T2's most popular programs are the maintenance program and the local construction work program. There were no further questions for Mr. Miles.

Chairman Brackett thanked Mr. Miles and Mr. Ebert and recognized the other LHTAC council members in the audience. He extended an invitation for comment, but they declined. In closing, **Mr. Ebert** wanted the Committee to know that the employees of LHTAC are dedicated, hard working and top notch. He appreciated the opportunity to comment.

H 70: **Chairman Brackett** welcomed Jerry Deckard of CapitolWest Public Policy Group to the podium to present **H 70**. **Mr. Deckard** thanked the Committee and said he was representing the Associated Logging Contractors of Idaho.

Mr. Deckard said **H 70** offers a minor change to the methods in determining the steering axle tire loads; it has been endorsed by truckers. It provides that tire manufacturers' rating for steering axle tires can be used to determine the load rating for those tires only. The bill does not change the maximum load rating for the steering axle that is set at 20,000 pounds. The bill is merely a technical addition to the formula for determining the 600 pounds per square inch by the steering axle tires on pavement. **Mr. Deckard** stood for questions.

Senator Hagedorn wanted to know what prompted the change. **Mr. Deckard** said that there has been an ongoing discussion about some manufacturers meeting the same tire width to fit for the 600 pounds per square inch requirement. Truckers relied on a certain manufacturer's tire, so the tire manufacturers met with ITD to work out a solution.

TESTIMONY: **Alan Frew**, ITD's Division of Motor Vehicles Administrator, offered testimony explaining the situation and how the solution was determined. There were no questions for Mr. Frew.

CONFLICT OF INTEREST: **Senator Keough** disclosed a possible conflict of interest with this legislation as she works for the Associated Logging Contractors.

MOTION: **Senator Nonini** moved that **H 70** be sent to the floor with a **do pass** recommendation. **Senator Winder** seconded the motion. The motion passed by **voice vote**. **Senator Nonini** offered to carry the bill on the floor.

ADJOURNED: **Chairman Brackett** thanked Mr. Deckard and adjourned the meeting at 2:04 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AMENDED AGENDA #1
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Tuesday, March 03, 2015

SUBJECT	DESCRIPTION	PRESENTER
<u>S 1108</u>	Facilitates the development of autonomous driven vehicles and provides for testing them on Idaho highways.	Chairman Brackett
<u>SCR 102</u>	Requests the Office of Performance Evaluation develop a scope of work and oversee an independent evaluation of the operational effectiveness of the Local Highway Technical Assistance Council's mission to assist Idaho's local highway jurisdictions.	Chairman Brackett
Minutes	Approve the Minutes of the Thursday, February 5, 2015 meeting.	Senator Winder and Senator Buckner-Webb

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett	Sen Vick
Vice Chairman Nonini	Sen Den Hartog
Sen Keough	Sen Buckner-Webb
Sen Winder	Sen Lacey
Sen Hagedorn	

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
Phone: 332-1332
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MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Tuesday, March 03, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey

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 Brackett** convened the meeting of the Senate Transportation Committee (Committee) at 1:32 p.m. and welcomed all in attendance.

PASSED THE GAVEL: To present the first two items on the agenda, Chairman Brackett passed the gavel to Vice Chairman Nonini.

S 1108: **Vice Chairman Nonini** invited Chairman Brackett to present **S 1108**.
Chairman Brackett said that the purpose of this legislation was to facilitate the development of autonomous driven vehicles and to provide for testing those vehicles on Idaho's highways. Title 49, Idaho Code, is amended to add a new chapter, to be known as Chapter 37. **Chairman Brackett** went through each section of Chapter 37 and explained what each did.
Chairman Brackett concluded by stating that autonomous technology is in the research and development stage. Idaho wants to be a business friendly state, and by updating the State laws, autonomous technology could have a significant economic impact with startup companies. Beyond research and development, the next step is testing autonomous driven vehicles. For thorough testing, Idaho's highway system needs to be available. The most important consideration of this legislation is public safety. This bill attempts to include sideboards and provisions that ensure that testing is accomplished in a safe and responsible manner so that public safety is not compromised. **Chairman Brackett** stood for questions.
Senator Hagedorn asked why on page 2, lines 31 to 37, the manufacturer of these vehicles would not be held liable for problems if the owner is injured. **Chairman Brackett** said that the intent is that the original manufacturer should not be held responsible for a conversion package added to the vehicle. **Senator Hagedorn** pursued the topic by asking whether it was an automobile or a conversion. If it has defects and someone is injured due to that defect, why wouldn't they be liable for that defect? **Chairman Brackett** said that is the point where trial lawyers would become involved. If it is a true defect and not faulty installation of a conversion, then they should be responsible.
Senator Lacey asked if it wasn't already legal to use these vehicles on Idaho highways. **Chairman Brackett** said that it was not. There are a number of safety elements for driver assisted vehicles, but none of them are for autonomous vehicles, which means it drives itself. That is not provided for at this time. There were no further questions for Chairman Brackett.
Vice Chairman Nonini invited a number of individuals signed up to testify supporting, opposing, and neutral on the bill.

- TESTIMONY:** **Nick Smoot**, Innovation Collective of Coeur d'Alene, said that in America there are opportunities for entrepreneurship and this legislation shows foresight in a changing world where french fries used to be made by hand and now they're made with computers in their hands. He supports the bill.
- TESTIMONY:** **Representative Steve Hartgen** said that technology is not almost here it is here and that driver error is the major cause of 30,000 fatalities and \$870 billion worth of damage each year, additionally rather than having to build new highways, automatically driven autonomous vehicles will allow a greater density on existing highways. He supports the bill.
- TESTIMONY:** **Josh Hartung**, Harbrick, LLC in Moscow, said that he is working with groups building automated vehicles and the numbers are revolutionary; in the not too distant future, people will be asking what the world was like before they existed. He supports the bill.
- TESTIMONY:** **Mike Brassey**, speaking for his client State Farm Insurance, supports the bill but is concerned with safety and therefore would offer an amendment dealing with recording devices in lieu of witnesses in accidents.
- TESTIMONY:** **Wayne Hoffman**, President of the Idaho Freedom Foundation, worked on the Coeur d'Alene city ordinance on autonomous vehicles; he supports **S1108**.
- TESTIMONY:** **Barbara Jordan** of the Idaho Trial Lawyers Association supports the bill, but they would like more specific language regarding the type of insurance needed.
- TESTIMONY:** **Jeff Sayer**, Director of the State Department of Commerce, said he was fascinated with the discussion and supported the technology industry. He was very excited by all that Nick Smoot had accomplished in Coeur d'Alene and other interested groups in Sandpoint and Moscow. This is an opportunity for Idaho to differentiate itself, and the window of opportunity is now.
- TESTIMONY:** Speaking in opposition to the bill was **Jeremy Pisca** who said he represented the Auto Alliance made up of 12 automobile manufacturer companies and organizations that oppose **S 1108** and believe it is unnecessary. Letters also opposing the legislation that were placed in each Committee members' packet came from the Auto Alliance Driving Innovation and Google.
- TESTIMONY:** **Ed Pemble**, ITD's Drivers Services Manager, said ITD was neutral on **S 1108**.
Following testimony, members of the Committee questioned each presenter until their concerns were fully addressed.
- MOTION:** **Senator Hagedorn** moved to send **S 1108** to the 14th Order for amendment. **Senator Vick** seconded the motion. The motion passed by **voice vote**. **Chairman Brackett** said he would carry the bill on the floor.
Senator Lacey said the bill needed to be taken a step further; he offered to help.
- SCR 102:** **Vice Chairman Nonini** invited Chairman Brackett to present **SCR 102**.
Chairman Brackett said he had asked that **SCR 102** be returned to the Committee for discussion following the previous week's presentation from the Local Highway Technical Assistance Council (LHTAC). LHTAC is the subject of this resolution. LHTAC was established by Legislation in 1994. Its mission is to assist Idaho's local highway jurisdictions – including the cities, counties and highway districts across the State – with utilizing available resources for maintenance and construction of Idaho's local highway system. This resolution asks the Joint Legislative Oversight Committee (JLOC) to direct the Office of Performance Evaluation (OPE) to manage an independent evaluation of LHTAC by a qualified out-of-state consultant. The investigation needs to be unbiased and avoid any conflict of interest; comparable to the evaluation conducted for ITD six or seven years ago. Please note that the Fiscal Note has been revised to reflect the current best study cost estimate of

approximately \$300,000 to conduct the evaluation of LHTAC. The evaluation is expected to be paid out of LHTAC's budget. **Chairman Brackett** stood for questions.

Senator Keough was concerned that the cost of the study was coming out of LHTAC's budget. She thought that much money could curtail some local highway projects and asked if there were other sources of funds. **Chairman Brackett** said the alternative was to take it from the State's General Fund.

TESTIMONY: **Vice Chairman Nonini** invited Stuart Davis, Executive Director of the Idaho Association of Highway Districts (IAHD) to offer testimony. **Mr. Davis** said that LHTAC had succeeded beyond expectations and operates at or below overhead. He supports **SCR 102**. **Mr. Davis** stood for questions.

Senator Lacey asked if LHTAC could afford taking \$300,000 from their budget. **Mr. Davis** said it depended on how the setup was structured. If it is a multiyear obligation, LHTAC could budget part of the money for the study. They may not be able to carry the whole budget.

Senator Hagedorn asked if Federal Highway Administration reimbursement funds might be available to pay for the study. **Mr. Davis** deferred the question to Jeff Miles, Interim Administrator of LHTAC. **Mr. Miles** said those reimbursements are for direct charges on highway projects. The only funds available were the sales tax, but they had already been expended. **Senator Hagedorn** thanked Mr. Miles for his follow-up answering the questions raised during his previous presentation before the Committee.

Chairman Brackett closed by acknowledging there are lingering questions about LHTAC. He thinks an evaluation will alleviate doubts and allow LHTAC to move forward with its good work. He welcomed additional information on the cost of the study from OPE, and he is open to exploring other avenues than those already discussed.

MOTION: **Senator Vick** moved to send **SCR 102** to the floor with a **do pass** recommendation. **Senator Hagedorn** seconded the motion. The motion passed by **voice vote**. **Senators Keough, Buckner-Webb** and **Lacey** asked to be recorded as voting **nay**. **Chairman Brackett** said he would carry the resolution on the floor.

PASSED THE GAVEL: Vice Chairman Nonini passed the gavel back to Chairman Brackett.

MINUTES APPROVAL: **Senator Winder** moved to approve the Minutes of February 5, 2015. **Senator Buckner-Webb** seconded the motion. The motion passed by **voice vote**.

ADJOURNED: **Chairman Brackett** adjourned the meeting at 3:00 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AGENDA
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Thursday, March 05, 2015

SUBJECT	DESCRIPTION	PRESENTER
<u>S 1120</u>	Requires \$5 of each fee paid for a class D driver's training permit be paid to either the driver training account or the occupational licenses fund.	Senator Tippetts
<u>H 17</u>	Provides for the definition of "autocycle" and clarifies specific exemptions.	Senator Nonini
<u>H 147</u>	Modifies registration requirements for motor vehicles owned by rental companies.	Julie Hart, Westerberg & Associates

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett

Vice Chairman Nonini

Sen Keough

Sen Winder

Sen Hagedorn

Sen Vick

Sen Den Hartog

Sen Buckner-Webb

Sen Lacey

COMMITTEE SECRETARY

Gaye Bennett

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MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Thursday, March 05, 2015
TIME: 1:30 P.M.
PLACE: Room WW53
MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey
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 Brackett** called the meeting of the Senate Transportation Committee (Committee) to order at 1:36 p.m. and welcomed all in attendance.
S 1120: **Chairman Brackett** invited Senator Tippetts to take the podium to present **S 1120**.

Senator Tippetts thanked the Committee for accommodating his schedule. He said that prior to 2009 private driver's training school businesses were overseen by the Idaho Department of Education (DOE). In 2009 their oversight was moved to the Idaho Bureau of Occupational Licenses where the businesses feel it is a good fit. Licensing fees increased dramatically to \$500 for a business permit.

A student driver's training permit costs \$15, that is distributed as follows: \$5 goes into the State Highway Account; \$5 goes into the County Current Expense Fund; and \$5 has been going into the Driver Training Account. The change this bill makes is for students taking driver's training from a private driver's training program; the \$5 currently going into the Driver Training Account would be redirected to the Bureau of Occupational Licenses where it would be deposited in the State Treasury to the credit of the Occupational Licenses' Driving School Fund. **S 1120** also indicates how the payment will be determined. It is estimate that \$25,000 per year would be redirected. DOE estimates it at only \$12,500 per year.

The money will help the Driving School Fund pay its own way and may reduce the price a private driving school pays for their license. The fund currently shows a deficit of about \$12,000. Last year, DOE thought the money should follow the student; they don't oppose the bill. **Senator Tippetts** stood for questions.

Chairman Brackett asked how the estimated amount could be lower than \$25,000. **Senator Tippetts** said DOE was conservative in their estimate last year, but they now think it could be less.

Senator Lacey asked if DOE or the private schools would determine where the \$5 gets distributed. **Senator Tippetts** did not know details but said the Idaho Transportation Department (ITD) would know how many student permits have been purchased. DOE can determine how many students are taking instruction from the public schools, then it is a matter of subtracting those numbers and multiplying by \$5.

Senator Den Hartog asked if this bill would affect those individuals who contract with the schools. **Senator Tippetts** said that if a student is taking driving lessons through their school, the funds would remain with the school.

TESTIMONY: There were two individuals who testified in favor of this bill; they represented the Idaho Association of Professional Driving Businesses. They were **Mike Ryals** of Eagle, Idaho who owned a private driving school business but was now retired, and **Mike Arnell**, a certified fraud examiner who had worked in student driver training. Both complimented Senator Tippetts for bringing this bill forward as it is the first bill written on behalf of private driver's training businesses. Each stood for questions, but there were none.

Vice Chairman Nonini said that this has been a frustrating issue to deal with and he too thanked Senator Tippetts for working out the details in order to bring **S 1120** forward.

MOTION: **Vice Chairman Nonini** moved to send **S 1120** to the floor with a **do pass** recommendation. **Senator Keough** seconded the motion. The motion passed by **voice vote**. **Senator Tippetts** offered to carry the bill on the floor.

H 17: **Chairman Brackett** thanked Senator Tippetts and invited Vice Chairman Nonini to present **H 17**.

Vice Chairman Nonini said that having **H 17** before the Committee has been an interesting process. He said he had been contacted last summer in Coeur d'Alene by someone looking for a Legislator from North Idaho serving on transportation. He started the process and contacted the two committee chairmen to see if they would help. They were interested and ran with the idea. This legislation brings forward the autocycle.

The bill provides the definition of "autocycle" on page 3. **Vice Chairman Nonini** read the definition. Technology changes so rapidly that since this bill passed the House and moved over to the Senate other motorized autocycle companies have been discovered and are interested in this legislation. **Vice Chairman Nonini** said he has been trying to work with all of them. The vehicle is classified under the motorcycle statutes of Idaho Code. However, they are more like three-wheeled automobiles. **Vice Chairman Nonini** read through all the changes including the addition of a new section, Section 5, that specifically addresses autocycles.

He also worked with the automobile dealers in order to make sure all interested parties were on the same page. **Vice Chairman Nonini** asked the Committee to send the bill to the 14th Order for amendment. The motorcycle people are concerned that if autocycles are in the motorcycle statutes, then motorcycles could be hurt.

Vice Chairman Nonini concluded by saying he has only seen pictures of the Elio autocycles. It is an interesting three-wheeled vehicle that gets 84 miles to the gallon. **Vice Chairman Nonini** stood for questions.

Senator Keough asked if the amendments discussed were already available. **Vice Chairman Nonini** said that they were available.

Senator Hagedorn asked if autocycle was a registered trade name. **Vice Chairman Nonini** said it is not registered with any particular manufacturer.

Senator Lacey asked if the two wheels were in the front or the back of the vehicle. **Vice Chairman Nonini** said there were two wheels in the front and one in the back.

Senator Keough noted that when the definition changed, the roll cage wording was removed and wanted to know why. **Vice Chairman Nonini** said the purpose of the amendment is to get two things accomplished: (1) the original bill was written in such a way that it was too specific to the Elio vehicle, so they wanted to make the language more general; and (2) the new language works with all the stakeholders in order to remain in ITD's oversight.

Senator Hagedorn said that a few years ago changes were made with motorized bicycles through the Federal Highway Safety Administration (FHSA). The classification meant motorcycles do not have to have safety inspections, but automobiles do. He wanted to know if autocycles have safety inspections and exactly how the federal government classifies them. **Vice Chairman Nonini** deferred that question to Barry Takeuchi, ITD's Title Policy Specialist. **Mr. Takeuchi** said that the federal government does not specifically classify autocycles. They meet the standards for motorcycles. **Senator Hagedorn** asked if there could be a potential amendment to take the motorcycle definition out and wanted to know how that would affect autocycles. **Mr. Takeuchi** said that ITD already has a differentiation of how they're defined; they are described by body type. AU is for a three-wheeled autocycles, and 3W is for a three-wheeled motorcycle. There were no further questions for Vice Chairman Nonini or for Mr. Takeuchi.

Chairman Brackett indicated there were a number of individuals who had signed-up to testify on **H 17**.

TESTIMONY:

Joel Sheltroun of Elio Motors testified by telephone from Michigan. **Mr. Sheltroun** supports the bill. He said the Elio has three wheels in contact with the ground and is considered a motorcycle in Idaho, which is a problem. Autocycles are too wide and too long to be considered a motorcycle. The Elio is the size of a Ford Taurus automobile. There is a movement asking all states to include autocycles in their statutes.

Helmets are required in some states and are problematic for autocycles that are completely enclosed like an automobile. With three-point safety restraints, a helmet can cause severe damage. Elios also have air bags, so a helmet conflicts with their safety measures.

Mr. Sheltroun said there are many different types of autocycles. As examples he named the Polaris Slingshot, the Elio and the T-Rex, which is a cross between an automobile and a motorcycle. It is a mistake to choose one definition to describe autocycles. He said the change in the definition does not include seat belts. A roll cage is important, but some autocycles don't have them. None would be refused registration in Idaho. **Mr. Sheltroun** thanked the Committee and offered to answer questions.

Senator Hagedorn said the difference between autocycles is that some are open; he wanted to know if the Elio could be open. **Mr. Sheltroun** said the Elio is totally enclosed and has side air bags. The Elio is designed properly as a lateral G for panic curves or turns. It is better than a Toyota Prius in turning. **Senator Hagedorn** asked if the current language would allow the Polaris Slingshot or the T-Rex to be licensed in Idaho. **Mr. Sheltroun** said their disqualifiers are that they are not enclosed, they don't have air bags, and they don't have side-by-side seating. If they eliminated tandem seating they would be fine, but right now they could only be registered as a motorcycle in Idaho.

TESTIMONY: **Lane Tripplet**, Chairman of the Idaho Coalition of Motorcycle Safety (ICMS), said he opposed the bill as currently written. He applauds the innovation, but he does not want them to be classified under the motorcycle statutes. ICMS would prefer that a new chapter be created in Idaho Code specifically designed for autocycles and similar type of vehicles. Other states, like North Dakota, have done that. He would favor amending the bill and offered to help with the process. There were no questions for Mr. Tripplet.

TESTIMONY: **Kevin Hanigan**, Executive Director of the Idaho Automobile Dealers Association, explained that he represents new car and sports vehicle dealers. He said that with the amended version, his association now opposes the bill. They like the concept, like the Elio, and also like new manufacturing opportunities. His association supports new wording in a different format for this new vehicle. Some are driven with a steering wheel and some with pedals. He would be willing to help with the changes. If it's not quite right, then it's wrong, and this needs to be made right. There were no questions for Mr. Hanigan.

TESTIMONY: **Jared Burt**, owner of Rexburg Motorsports, had planned on supporting this bill, but the new definition being proposed is too restrictive, and he does not support that change. His dealership sells autocycles, and he has personally driven one. Autocycles are considered a subclass of motorcycles in Idaho, but they are totally different and they need to be classified as such. There is a critical mass of autocycles, so ITD needs to be able to classify them properly. As for helmets, he wears one, and children under 18 years old should be required to wear one. **Mr. Burt** stood for questions.

Senator Hagedorn asked if buying a Slingshot requires purchasing a motor license and does it get a title. **Mr. Burt** said they are titled as a motorcycle and the buyer does not need an endorsement to drive a motorcycle; they can get a permit. He did not think that was a practical solution.

Senator Lacey asked if the Slingshot was like the Ranger. **Mr. Burt** said the Slingshot is not capable of off road travel.

While still on the telephone, **Mr. Sheltroun** clarified that the Elio is an autocycle. The states of Michigan and Louisiana passed autocycle legislation in 1989. There are two states with unconventional legislation regarding autonomous vehicles, and he supports the North Dakota language.

MOTION: **Senator Hagedorn** moved to send **H 17** to the 14th Order for amendment. **Senator Den Hartog** seconded the motion.

Chairman Brackett asked if there was any discussion on the motion.

Senator Winder said that every year or so the Committee amends current statutes to accommodate new ideas. He asked ITD to look into the entire code section and see if there isn't a better solution than amending motorcycle statutes for autocycles.

Senator Hagedorn said these are unconventional vehicles. There is a section of code for titling off-road vehicles; ITD needs one for on-road vehicles. Idaho needs good, safe vehicles on the roads.

The motion passed by **voice vote**. **Vice Chairman Nonini** said he would carry the bill on the floor.

H 147: **Chairman Brackett** thanked Vice Chairman Nonini and invited Julie Hart of Westerberg & Associates to the podium to present **H 147**.

Ms. Hart said that she was representing Enterprise Rental Car who is voluntarily bringing this bill forward to modify provisions for registration requirements for rental companies. They are asking for a non-expiring registration card for their fleet of vehicles. Expiring registrations are problematic if the vehicle is out-of-state when its registration expires. They would continue to pay registration fees each year and will even pay an additional \$2 per year to pay for the software. **Ms. Hart** stood for questions, but there were none.

MOTION: **Senator Hagedorn** moved to send **H 147** to the floor with a **do pass** recommendation. **Senator Buckner-Webb** seconded the motion. The motion passed by **voice vote**. **Senator Buckner-Webb** offered to carry the bill on the floor.

ADJOURNED: With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 2:52 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AMENDED AGENDA #2
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Tuesday, March 10, 2015

SUBJECT	DESCRIPTION	PRESENTER
Minutes	Approve the Minutes of the February 26, 2015 meeting.	Senator Vick and Senator Den Hartog
Unanimous Consent to send RS23760C1 to the Senate State Affairs Committee for printing.	Requires local highway districts notify and engage the community within a mile of a proposed road project. It also requires local highway districts evaluate the economic impact to businesses and residents before moving forward with a project.	Senator Burgoyne
HJM 8	Urging Congress to allow Idaho to set vehicle combination weights up to 129,000 pounds on Idaho's Interstate Highway System.	Roy Eiguren, Eiguren Fisher Ellis
H 15	Outlines the process of placing a "stop" on a title record by including notification requirements to interested parties.	Senator Nonini

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett
Vice Chairman Nonini
Sen Keough
Sen Winder
Sen Hagedorn

Sen Vick
Sen Den Hartog
Sen Buckner-Webb
Sen Lacey

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
Phone: 332-1332
email: stran@senate.idaho.gov

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Tuesday, March 10, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey

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 Brackett** called the meeting of the Senate Transportation Committee (Committee) to order at 1:32 p.m. and welcomed everyone.

MINUTES APPROVAL: **Senator Vick** moved to approve the Minutes of February 26, 2015. **Senator Den Hartog** seconded the motion. The motion passed by **voice vote**.

RS 23760C1 **Chairman Brackett** welcomed Senator Burgoyne to the Committee and invited him to take the podium to introduce his RS.

Senator Burgoyne thanked Chairman Brackett and commented that it was his first time before the Committee. He was asking for unanimous consent to send **RS 23760C1** to a privileged committee to be printed. This RS addresses the impacts of road projects on businesses and communities. It requires local highway districts and other units of government to engage with affected communities and residents within one mile of a proposed road project before any funds are spent on the project. It is difficult to stop a project once funds have been expended if problems are raised by residents and communities. **Senator Burgoyne** stood for questions.

UNANIMOUS CONSENT REQUEST: **Chairman Brackett** asked for unanimous consent to send **RS 23760C1** to the Senate State Affairs Committee for printing.

Senator Keough asked why this legislation was being brought before the Committee long after the deadline had passed. **Senator Burgoyne** said there has been an issue with a road project in his county. The parties have tried working out their differences, but they have not resolved the problems. He wanted to legislate a mechanism to deal with those types of situations.

Senator Winder commented that he thought the idea would create unintended consequences in trying to move transportation projects forward. Road projects generally operate on a five-year plan. He said he would be okay printing the RS, but he would not support it if it came back before the Committee.

OBJECTION TO UNANIMOUS CONSENT: **Vice Chairman Nonini** objected to the unanimous consent request stating that Senator Burgoyne is concerned with one specific highway district, and this legislation would affect all highway districts throughout the State.

The unanimous consent request failed.

Senator Burgoyne thanked the Committee.

HJM 8: **Chairman Brackett** invited Roy Eiguren of Eiguren Fisher Ellis to the podium to present **HJM 8**.

Mr. Eiguren said he was representing The Right Truck for Idaho Coalition (Coalition) made up of over 50 organizations throughout Idaho. The Coalition exists to advocate in favor of allowing more efficient trucks to operate on Idaho's highway system. The 129,000 pound truck/trailer combination is the most efficient truck operating today. It has 10 rather than the normal 7 axles, and 20 brakes rather than the normal 14. These combinations are 21st century vehicles. They haul larger loads at the highest level of efficiency without negatively impacting bridges, highway surfaces, or traffic safety.

The Coalition is seeking enactment of **HJM 8** which urges the United States Congress to pass pending federal legislation that would give Idaho the legal authority to establish weight limits up to 129,000 pounds per truck/trailer combination on the federal Interstate Highway System (IHS) in Idaho. Currently, the weight limit on Idaho's portion of IHS is capped at 105,500 pounds because in 1992 Congress enacted legislation that froze into place the weight limits that existed in each state at that time. In other words, Congress took away the ability for a state to set vehicle weights on the IHS. They wanted to begin a process of harmonizing truck weights across the country, but the task was never completed. This is an attempt for Idaho, like other states have done, to convince Congress to return the legal authority to set vehicle weights back to the states. **Mr. Eiguren** said that Idaho's congressional delegation has introduced legislation allowing Idaho to remove the cap, but it has not been seriously considered. The Governor, the Idaho Transportation Department (ITD), and others are on-board with supporting this memorial. **Mr. Eiguren** stood for questions.

Senator Vick asked why the weight limit for Idaho was different than surrounding states. **Mr. Eiguren** deferred to Alan Frew, ITD's Department of Motor Vehicle (DMV) Administrator, for a response. **Mr. Frew** said that the criteria for weight limits occurred in the early 1980s. The federal legislation froze the weight limits in place on the IHS that were in existence at that time. The surrounding states had higher weight limits at the time the federal legislation froze all weight limits. Changing those limits has been tried in the past but was unsuccessful.

Chairman Brackett realized that Mr. Eiguren had been working on getting this accomplished for some time and wanted to know if he was more optimistic that this effort would be successful. **Mr. Eiguren** said he was more optimistic. Congressman Simpson tried eliminating the freeze in the last federal transportation bill, but that provision did not make it into the omnibus bill. They believe the subcommittee chairman will be able to insert this into the federal transportation bill.

MOTION: **Senator Hagedorn** moved to send **HJM 8** to the floor with a **do pass** recommendation. **Senator Den Hartog** seconded the motion. The motion carried by **voice vote**. **Senator Keough** requested to be recorded as voting nay. **Chairman Brackett** offered to carry the memorial on the floor.

H 15AAS: **Chairman Brackett** invited Vice Chairman Nonini to present **H 15aaS**.

Vice Chairman Nonini reminded the Committee that **H 15aaS** had been sent to the Amending Order at a previous meeting of the Committee. The amendment was approved by a vote of the Senate, but two Senators, who were not members of the Committee, had concerns with other issues brought to them by the Idaho Bankers Association. **Vice Chairman Nonini** said that he, ITD and the Idaho Bankers Association met and had worked out the problems. A new amendment was included in their Committee packets. **Vice Chairman Nonini** referred to it as a "radiator capping" amendment. In the new amendment, the entire bill and the previously approved amendment are stricken in total and replaced with the new amendment which will become the body of the bill. With that explanation, **Vice Chairman Nonini** stood for questions.

Chairman Brackett asked if all concerned parties were satisfied with this new amendment. **Vice Chairman Nonini** said that they were satisfied, and he was confident all issues had been worked out.

Senator Vick asked what had changed. **Vice Chairman Nonini** said that section 5 on page 1 has been added to correct the risk of lien holders. He read the section. Section 6 adds new wording for evidence of initial filing that requires ITD notify the parties.

Chairman Brackett asked if the Idaho Bankers Association wanted to add any additional information. They declined as they were satisfied with Vice Chairman Nonini's presentation.

Senator Winder asked a questions of Dawn Justice of the Idaho Bankers Association. He wanted to know if the concerns expressed by the Majority Leader and the banking community had been resolved. **Ms. Justice** said the issue was a lack of protection for the second lender, but that had been satisfied with this new amendment.

Senator Hagedorn asked if ITD was involved and if they had signed off on the changes. **Vice Chairman Nonini** said that ITD had worked with Senator Davis, Senator Rice and the bankers.

Chairman Brackett asked if Barry Takeuchi of ITD's Title Program had any information to add. **Mr. Takeuchi** said it had been a pleasure to work with the Idaho Bankers Association to come up with a solution. This new amendment was implementable from ITD's perspective.

Senator Hagedorn wanted to be assured that Amy Smith, ITD's Vehicle Services Manager, was okay with the changes. **Mr. Takeuchi** said she was fine with the new amendment.

MOTION:

Senator Winder moved to send **H 15aaS** to the 14th Order for amendment. **Senator Hagedorn** seconded the motion. The motion passed by **voice vote**. **Vice Chairman Nonini** will carry the bill on the floor.

ADJOURNED:

With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 2:00 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AMENDED AGENDA #1
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Thursday, March 12, 2015

SUBJECT	DESCRIPTION	PRESENTER
Minutes	Approve the Minutes of February 12, 2015.	Senator Winder and Senator Hagedorn
<u>H 194</u>	Allows the same extraneous materials weight waiver for all agriculture products, including forestry products, by adding definitions for "agricultural products" and "forest products." It also allows for a waiver of excess build-up on trucks due to inclement weather.	Jerry Deckard, CapitolWest Public Policy Group
<u>H 132</u>	Eliminates the gaseous fuel decal which will then require the affected vehicles to pay tax based on a gasoline energy equivalent. It adds a definition of a gaseous special fuel and defines conversion factors.	Representative Kauffman
<u>H 129</u>	Allows all-terrain vehicles, utility vehicles and motorbikes displaying a restricted use license plate to travel on state highways within city limits.	Representative Gestrin

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett
Vice Chairman Nonini
Sen Keough
Sen Winder
Sen Hagedorn

Sen Vick
Sen Den Hartog
Sen Buckner-Webb
Sen Lacey

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
Phone: 332-1332
email: stran@senate.idaho.gov

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Thursday, March 12, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey

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 Brackett** called the Senate Transportation Committee (Committee) to order at 1:35 p.m. and welcomed all in attendance.

MINUTES APPROVAL: **Senator Winder** moved to approve the Minutes of February 12, 2015. **Senator Hagedorn** seconded the motion. The motion passed by **voice vote**.

H 194: **Chairman Brackett** invited Jerry Deckard of CapitolWest Public Policy Group to the podium to present **H 194**.

Mr. Deckard, representing the Associated Logging Contractors, said this is a new bill following H 69 from the 2014 Legislative Session that the House did not like. **H 194** is the product of a cooperative effort between the loggers, the food producers, the farm bureau and the Idaho Transportation Department (ITD). The agricultural community (particularly Del Monte) had a problem with the definition of agricultural products, which have been redefined as unprocessed products instead of finished or processed products like the canned products sold by a company like Del Monte. The weight of finished product truck loads was not the intent of last year's legislation. The intent was meant for logging trucks, wood chip trucks and refuse or garbage trucks. This bill clarifies that intention and allows agricultural and forest products the same extraneous materials weight waiver that was in H 69.

Mr. Deckard said there is a problem with **H 194**, and he had a copy of the proposed amendment placed in the Committee's packets. He went through the changes in the bill. On page 2, line 4 the words "processed product" is deleted; on page 4, insert the words "wood chips"; on page 6, page 9 and page 10, insert the word "unprocessed". These are minor but needed changes. He asked that the Committee send the bill to the 14th Order for amendment. **Mr. Deckard** stood for questions, but there were none.

Chairman Brackett thanked Mr. Deckard, and asked if anyone in the audience wanted to testify.

TESTIMONY: **Hubert Osborne**, a retired dairyman from Nampa, had the Committee Page pass out information describing the problems with the bill. He said the proposed amendment makes the bill more palatable, but it does not go far enough. Page 15 is the heart of the bill where it includes all farm, logging and sanitation vehicles, but it doesn't address his concerns. There were no questions for Mr. Osborne.

TESTIMONY: **Jim Riley**, President of Riley & Associates, said he represents many foresters, especially in North Idaho. He was contacted by the Association of Logging Contractors who believe this is an important bill that incorporates flexibility in the provisions of the law. As trucks move down the highway they pick up material, especially during inclement weather, that creates the need for adjustments requiring them to operate effectively. **Mr. Riley** stood for questions.

Senator Lacey said he remembered last year's legislation where there was no way to weigh the trucks; they can estimate the weight but can't be exact. He asked if this was the same for ice and snow build up on the truck. **Mr. Riley** said that woods are complicated. The Associated Logging Contractors are good at knowing the amount of logs they can legally carry, but they don't know how much material might build up on the truck as it's travelling, which is why this flexibility is so important.

CONFLICT OF INTEREST: **Senator Keough** announced that because of her employer, she could potentially have a conflict of interest under Senate Rule 39(H).

Senator Winder said that he thought this was a good bill last year, and he appreciates bringing it back for clarification.

MOTION: **Senator Winder** moved to send **H 194** to the 14th Order for amendment. **Senator Hagedorn** seconded the motion. The motion passed by **voice vote**. **Senator Hagedorn** offered to carry the bill on the floor.

H 132: **Chairman Brackett** thanked Mr. Deckard and invited Representative Kauffman to the podium to present **H 132**.

Representative Kauffman said this bill has to do with gaseous fuels and the taxes on that fuel. Currently, vehicles that operate on gaseous fuels pay a flat annual fee for a decal for each vehicle. There are at least 26,000 paid decals that cost about \$128 each annually. If these vehicles were paying motor fuel taxes, the revenue would be much greater. Page 2, lines 30 through 36, describes the fuel decal program that would be eliminated. Once the program is eliminated, vehicles using gaseous fuels would pay a gas equivalent tax. Page 3, beginning on line 8, describes the conversion of diesel or gas equivalent to compressed national gas. Using these fuels for vehicles was not even known a few years ago, but they have quickly grown. As more vehicles move to this source of fuel, it is important that this inequity be addressed. The decal program is 24 years old and it was implemented for purposes other than to operate vehicles. If this bill passes, the State can expect an increase of about \$325,000 to the Highway Distribution Account (HDA). **Representative Kauffman** thanked the Committee and stood for questions.

Senator Buckner-Webb said that there are companies that have invested huge amounts of money in converting their fleet of vehicles, and this change would increase their costs significantly. **Representative Kauffman** said that is certainly possible because converting a truck from diesel to gaseous fuel costs a lot, but this is a fairness issue. **Senator Buckner-Webb** asked if there could be a phase-in period so that their increased costs go up gradually. **Representative Kauffman** said there was no phase-in.

Senator Vick asked if other states tax natural compressed gas. **Representative Kauffman** said he did not know the answer to that. **Senator Vick** commented that he would appreciate knowing if other states do tax this fuel.

Chairman Brackett thanked Representative Kauffman and said the Committee would hear from those wishing to testify on the bill followed by closing remarks by Suzanne Budge, State Director of the Idaho Petroleum Marketers & Convenience Store Association.

- TESTIMONY:** **Wayne Hammon**, Executive Director of the Idaho Associated General Contractors, said this is a fairness issue; if you use the roads, you need to pay to maintain the roads. Something needs to be done soon as Idaho's roads are getting worse. He supports the bill.
- TESTIMONY:** **Mike Jensen**, General Manager of Bingham Cooperative in Blackfoot, Idaho, said he has a small operation of seven trucks. He said that vehicles over 26,000 pounds can purchase the conversion kits and no longer have to pay the gas tax. He pays the fuel tax for the 12,000 miles per month his trucks travel. He supports the bill.
- TESTIMONY:** **Zachary Webster**, Blue Liquified Natural Gas (LNG) in Utah, said that this was a clean fuel that is readily available in Idaho. The State had an incentive to make the conversion and some companies made the decision to invest in that process. It was his understanding that there was supposed to be a committee comprised of stakeholders who were to meet last summer to work this out, but that did not happen. He only discovered **H 132** as it was clearing the House. This may bring revenue to transportation, but it strangles a new industry in Idaho. He opposes the bill.
- TESTIMONY:** **Bill McNabb**, McNabb Grain & Trucking in Pocatello, Idaho, said his operation runs various commodities on his 48 natural gas trucks. He looked at natural gas as an opportunity to purchase cheaper fuel that is environmentally cleaner. It is as efficient as diesel, if not better. He invested \$10 million in natural gas trucks that he expects to run for 5 or 6 years. He also assumed they would not be paying fuel tax because of the decal program. This bill will definitely hurt his business. He opposes the bill.
- TESTIMONY:** **Daniel Salvador**, Off-Spec Solutions in Boise, Idaho, said they have a fleet of 21 trucks that haul Franz Bakery, Heinz and Amalgamated Sugar products throughout Idaho. They got into gaseous fuels because of emissions factors, which was an important part of their investment reasoning. They invested \$1 million more on equipment. This bill will impact their future business plans significantly. They're currently funding companies that are developing this technology. They employ 42 people and were looking to double that number by the end of the year, but this bill could change those plans. His company opposes the bill.
- TESTIMONY:** **Dave Fisher**, General Manager of Republic Services in Boise, Idaho, said that they employ 265 people in the Treasure Valley. They spent a lot of money converting their trucks, and they installed two gaseous fuel pumps in the Treasure Valley. Valley Ride uses their fuel pump for their transport system. They spent \$300,000 on horizontal drilling just to get the fuel line to their facility; the same occurred with the Nampa fuel pump. Compressors and other equipment cost another \$1 million each. There are lots of costs other than just the fuel itself. He explained the reasons why they converted in the first place and added that air quality standards in the Treasure Valley are high and their trucks are much quieter. They were never contacted about a meeting for stakeholders; their tax bill if this legislation becomes law will increase 1,200 percent. In conclusion, he said that the federal subsidy no longer exists. He opposes the bill.
- TESTIMONY:** **Jeremy Chou**, representing the Civil Engineering Associates, offered two points: (1) the incentive became law 24 years ago to help people in rural communities who depended on propane gas; and (2) he urged the Committee not to move this bill to the Amending Order. He supports the bill.

TESTIMONY: **Phil Hardy**, Strategies 360 and representing Republic Services, said his clients are willing to pay more to support the Idaho infrastructure. This bill would be setting a precedent on how to go about a change. He suggested the additional taxes should be ramped in over a period of time. His clients did not come to the Legislature and lobby for a tax break, the decal program was already law. They feel like the carpet is being yanked out from under them, and they were never invited to the table to discuss the issue. He opposes the bill.

TESTIMONY: **Stuart Davis**, Executive Director of the Idaho Association of Highway Districts, said that the government is rarely proactive. This will exacerbate itself once the legislation is law. Federal Express is converting to gaseous fueled vehicles nationwide, as are other industries. He supports the bill.

The Committee members were able to ask questions of each person testifying until they were satisfied with the responses. **Chairman Brackett** thanked each person who has signed up to testify and invited Suzanne Budge, State Director of the Idaho Petroleum Marketers & Convenience Store Association, to present concluding remarks.

CLOSING REMARKS: **Ms. Budge** said that when her board took up funding infrastructure in the State of Idaho, they worked with the Idaho State Tax Commission (ISTC). Her board had been supportive of tax collection. A good case was made for alternative fuels. **H 131** became an efficient and seamless method of dealing with an antiquated loophole in the law.

Ms. Budge explained the history behind the policy of purchasing and annually renewing decals for users of gaseous fuels. The decal was intended to help rural Idahoans with propane tanks in their back yards. Propane was used primarily for heating and cooking. This took place in 1991, 24 years ago. The program was not intended to be a tax incentive or even thought of in terms of it being a cleaner fuel option. They were rarely needed.

H 132 eliminates the decal program and implements a gaseous fuel equivalency tax. They want vehicles using this fuel source to be on an even field with vehicles using motor fuels. She applauds the industry and their concern for the environment, but Idaho's roads need maintenance and the gas tax was created to provides funds for that maintenance. It is fair that every vehicle driving on Idaho roads pay to help maintain them. This is a simple proposition meant to be a small fix in the larger funding issues of Idaho's infrastructure.

ADJOURNED: Due to time constraints on using the hearing room, **Chairman Brackett** said the hearing would be continued at the next meeting of the Committee. He thanked Ms. Budge and Representative Kaufman and asked them to come back for the next meeting. **Chairman Brackett** adjourned the meeting at 3:03 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AGENDA
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Tuesday, March 17, 2015

SUBJECT	DESCRIPTION	PRESENTER
Minutes	Approve the Minutes of February 19, 2015.	Senator Buckner-Webb and Senator Lacey
<u>H 132</u>	Continuation of hearing of Thursday, March 12, 2015. This bill eliminates the gaseous fuel decal and requires affected vehicles to pay taxes based on gasoline energy equivalent.	Representative Kauffman and Suzanne Budge, IMP & CSA
<u>H 129</u>	Allows all-terrain vehicles, utility vehicles and motorbikes displaying a restricted use license plate to travel on state highways with city limits.	Representative Gestrin

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett	Sen Vick
Vice Chairman Nonini	Sen Den Hartog
Sen Keough	Sen Buckner-Webb
Sen Winder	Sen Lacey
Sen Hagedorn	

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
Phone: 332-1332
email: stran@senate.idaho.gov

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Tuesday, March 17, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Buckner-Webb and Lacey

ABSENT/ EXCUSED: Senator Den Hartog

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 Brackett** called the meeting of the Senate Transportation Committee (Committee) to order at 1:32 p.m. and welcomed everyone to the Committee.

MINUTES APPROVAL: **Senator Lacey** moved to approve the Minutes of February 19, 2015. **Senator Buckner-Webb** seconded the motion. The motion passed by **voice vote**.

H 132: **Chairman Brackett** said the Committee would continue the hearing of **H 132** from the previous meeting. He apologized to Suzanne Budge, representing the Idaho Petroleum Marketers and Convenience Store Association (IPM&CSA), for having to interrupt her testimony. **Chairman Brackett** said the Committee would hear the remainder of Ms. Budge's testimony and closing remarks from Representative Kauffman. With that, **Chairman Brackett** invited Ms. Budge to the podium to continue her testimony.

TESTIMONY: **Ms. Budge** thanked the Committee for allowing her to wrap-up her testimony. She planned to review the issues raised and lay out what she considered a clear policy choice for the Committee.

Ms. Budge began by talking about the history of the decal program. In 1983, consumers were taxed at a per gallon rate. In 1991, the propane association came before the Legislature and asked them to implement a decal program for ease of administration for both the State Tax Commission and the propane association. That was a time when rural areas had lots of propane tanks and if they were to convert, the decal was proof they had paid their taxes for licensing their vehicles. At that time, decals ranged in price from \$50 to \$175 and that amount changed when the gas tax was changed. The decal program was intended to be a user fee, not a business incentive program for alternative fuels, in fact there weren't alternative fuels in 1991. Eighty percent of the 300 plus decals purchased or renewed annually are for vehicles larger than 26,000 pounds. The decal program has been misunderstood.

Federal tax rates are consistent and established at 24 cents per gallon for pure diesel. The Liquid Natural Gas (LNG) industry has agreed on conversion factors that have been accepted as the national standards. Adopting those standards has already been agreed to. According to the National Conference on State Legislatures, 28 states tax gaseous fuels. **Ms. Budge** acknowledge that the companies that have looked at the decal program as a business incentive program had invested heavily, however, by changing to gaseous fuels they have also enjoyed federal tax incentives for 20 years, in some cases. This is a fairness issue to those who are pay fuel taxes.

Ms. Budge continued by saying the policy is simple. If the Committee believes the decal program is a business incentive program, the Committee's vote should reflect it; the same if the Committee sees there is a fairness issue. She asked the Committee not to amend **H 132** by phasing in the change and urged them to get to 100 percent parity with the fuel tax so that an advantage is not locked-in. **Ms. Budge** concluded by stating this bill corrects an inequity. She asked the Committee to send it to the floor with a do pass recommendation. **Ms. Budge** stood for questions, but there were none.

Chairman Brackett thanked Ms. Budge and invited Representative Kauffman to the podium to give his closing remarks.

Representative Kauffman said that two things struck him as he listened to the testimony at the previous hearing: (1) he applauds those businesses in Idaho that have converted their vehicles to a cleaner U.S. fuel whose price is declining; and (2) **H 132** is about fairness; a \$280 decal vs. the number of miles added to Idaho's roads annually is not fair. The decal program was started 25 years ago and today most of the vehicles with decals weigh over 26,000 pounds. **Representative Kauffman** also asked for a do pass recommendation before standing for questions.

Senator Buckner-Webb asked if there was a possibility of phasing in the change for those businesses that spent large investments on converting their vehicles. **Representative Kauffman** said that anything is possible, but that is not what he was requesting for **H 132**.

MOTION:

Senator Winder moved to send **H 132** to the floor with a **do pass** recommendation. **Senator Hagedorn** seconded the motion. **Chairman Brackett** asked if there was any discussion on the motion.

Senator Winder said that he had agonized over this because industry has made a good case. There are two goals this Session of the Legislature: (1) funding for transportation; and (2) funding for education. **H 132** is a small piece, and it is impactful on the 300 plus decal holders. However, it is a needed policy piece.

Senator Vick agreed with Senator Winder, but he was concerned about the message being sent given this is such a dramatic increase in the tax these businesses pay. He wants everyone to be taxed the same and agrees the money is needed for Idaho's roads, but he thinks phasing in the change is important. He does not like such a dramatic change in policy without prior notice.

SUBSTITUTE MOTION:

Senator Vick moved to send **H 132** to the 14th Order for amendment. **Senator Keough** seconded the motion. **Chairman Brackett** asked if there was discussion on the substitute motion.

Senator Vick said it is his intent to request a four year phase-in period. At the end of those four years there would be parity with the taxes paid by diesel driven vehicles, and the same adjustments would apply.

Senator Winder reminded the Committee that they do not amend bills, the Committee of the Whole does. He does not support a four year phase-in, and it is unfair to other trucking industry members in Idaho. He said an amendment would be coming too late in the game.

ROLL CALL VOTE:

With no further discussion, **Chairman Brackett** called for a vote on the substitute motion. **Vice Chairman Nonini** asked that it be a roll call vote.

Chairman Brackett and **Senators Keough** and **Vick** voted Aye; **Vice Chairman Nonini** and **Senators Winder, Hagedorn, Buckner-Webb** and **Lacey** voted Nay. The motion failed.

Chairman Brackett called for a vote on the original motion.

MOTION VOTE: The motion passed by **voice vote**. **Senator Winder** offered to carry the bill on the floor.

H 129: **Chairman Brackett** invited Representative Gestrin to the podium to present **H 129**.

Representative Gestrin handed out an article from The Star News that addresses what **H 129** was created to resolve. Idaho Code forbids ATVs, UTVs, dirt bikes and other off-road vehicles from using state highways. This is a problem in communities where state highways are part of the main thoroughfares for travel. **Representative Gestrin** said that in his hometown of Donnelly many can't go down the main street or to the post office without getting out of their off-road vehicle because State Highway 55 is the main street. That is the case in rural communities all over the State. In some communities, law enforcement tickets violators and in other communities they don't. **Representative Gestrin** said he worked with the Idaho Transportation Department (ITD), and they don't oppose this bill; it is their language. The change is in lines 23 to 28 that reads that within city limits these types of vehicles are permitted. **Representative Gestrin** stood for questions.

Senator Hagedorn commented that he had been involved in ATV legislation since 2006 when he sold these vehicles. In 2008 some of the confusing language was changed. ITD had been concerned with these vehicles crossing state highways, so it was negotiated that communities could post a crossing sign. This created confusion with law enforcement on how to enforce the law. **H 129** clarifies that part of the Idaho Code. It especially is beneficial to smaller communities.

MOTION: **Senator Hagedorn** moved to send **H 129** to the floor with a **do pass** recommendation. **Senator Keough** seconded the motion.

Chairman Brackett said he could see it being useful in Cascade or in Pine, Idaho, but it would be a problem in larger cities like Boise. He asked if local jurisdictions could pass ordinances to adjust the law to fit their communities. **Representative Gestrin** said they could hold a hearing in their local jurisdiction and determine how they would enforce it. It is a local jurisdiction's right to hold public hearings to place restrictions on implementing laws. As an example, he said that sheriffs, although unsuccessful, have been using public hearings to try to get highway crossings in some jurisdictions.

Senator Hagedorn said that Boise had already passed an ordinance restricting ATVs on city streets. UTVs are okay.

VOTE ON MOTION: The motion passed by **voice vote**. **Senator Hagedorn** offered to carry the bill on the floor.

ADJOURNED: With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 2:02 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AGENDA
SENATE TRANSPORTATION COMMITTEE
1:30 P.M.
Room WW53
Thursday, March 19, 2015

SUBJECT	DESCRIPTION	PRESENTER
Minutes	Approve the Minutes of the Tuesday, March 10, 2015 meeting.	Vice Chairman Nonini and Senator Winder
<u>H 183</u>	Allows nonprofit anti-human trafficking organizations to post signs and posters containing the contact information of human trafficking hotlines in and around rest areas on State and interstate highways.	Representative Dixon
<u>H 131</u>	Allows a motor vehicle dealership to post a telephone number on their building in lieu of maintaining certain set business hours each week.	Representative Packer

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett	Sen Vick
Vice Chairman Nonini	Sen Den Hartog
Sen Keough	Sen Buckner-Webb
Sen Winder	Sen Lacey
Sen Hagedorn	

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
Phone: 332-1332
email: stran@senate.idaho.gov

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Thursday, March 19, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey

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 Brackett** called the meeting of the Senate Transportation Committee (Committee) to order at 1:34 p.m. and welcomed everyone in attendance

MINUTES APPROVAL: **Senator Nonini** moved to approve the Minutes of March 10, 2015. **Senator Winder** seconded the motion. The motion passed by **voice vote**. **Senator Winder** thanked the Committee Secretary for keeping the Committee Minutes current.

H 183: **Chairman Brackett** invited Representative Dixon to the podium to present **H 183**.
Representative Dixon said **H 183** is a short, and may seem light, bill, but the topic it concerns is important and a very heavy one. It is the topic of human trafficking. Idaho is behind the curve on this issue compared to surrounding states when it comes to protecting victims of human trafficking. It is often an issue that is somewhat in the shadows, but the problem is increasing. This bill is a small piece of the puzzle of what Idaho needs to do to increase its standing among the states on this issue. It allows signs listing the hotline telephone numbers of nonprofit organizations established to help victims of this crime to be placed at rest areas along Idaho's highways. **Representative Dixon** requested that Ms. Savannah Hicks of Careywood, Idaho (located in Legislative District 7), be allowed to offer testimony.

TESTIMONY: **Ms. Hicks** said that **H 183** is extremely important and necessary for Idaho. It allows signs containing emergency numbers for victims of human trafficking to be placed in rest areas along state highways. The hotline telephone numbers on the signs are operated by nongovernmental organizations dealing specifically with victims of human trafficking. 911 operators are not trained to deal with this issue. The problem exists with trafficking over the Canadian border, in Coeur d'Alene, in Twin Falls, and there have even been reports of recruiting victims at Boise's Town Square Mall. There was a similar bill passed in Washington; their calls increased by 80 percent once the signs were installed. Maintenance and installation of the signs will be provided by the anti-human trafficking nonprofit organizations. Idaho is currently rated D at the national level; this bill will improve Idaho's rating by helping hundreds of people trapped in modern slavery. **Ms. Hicks** thanked the Committee and offered to answer questions. There were no questions for Ms. Hicks.

Chairman Brackett thanked Ms. Hicks and asked Representative Dixon if he had any closing remarks. **Representative Dixon** said the bill had been vetted through the Idaho Transportation Department (ITD). The language that ITD found problematic was removed, but the bill was still consistent with neighboring states. **Representative Dixon** stood for questions.

Senator Hagedorn was concerned with the language on page 1, line 25 about allowing posters and signs in or around rest areas. He wanted to know if that gave authority for signs to be placed on private property around rest areas. **Representative Dixon** said that was not the intent of the bill. ITD would have to approve location of signs, but they wanted them placed in areas where they could be easily observed. **Senator Hagedorn** said that in line 26 it says that the signs must be at least 8.5 inches by 11 inches, but no maximum size is mentioned. He asked if there was a limit on how large the sign could be. **Representative Dixon** answered that ITD would have the authority to determine how large the sign could be. **Senator Hagedorn** asked if ITD would respond to his questions. **Mollie McCarty**, ITD's Government Affairs Manager, asked to have the questions repeated. **Senator Hagedorn** restated the issues of placement of signs on private property and the maximum size of signs at rest areas. **Ms. McCarty** said she concurs with Representative Dixon that the signs would be placed on ITD property; it is not ITD's expectation that the signs would be placed on private property. Also, it is ITD's understanding that ITD would have the authority to determine where the signs would be placed and their size. There were no further questions.

MOTION: **Senator Buckner-Webb** moved that **H 183** be sent to the floor with a **do pass** recommendation. **Senators Keough** and **Den Hartog** simultaneously seconded the motion. The motion passed by **voice vote**.

Representative Dixon said that Senator Nuxoll of Legislative District 7 would like to carry the bill on the floor. **Chairman Brackett** thanked Senator Nuxoll who was in the audience.

H 131: **Chairman Brackett** thanked Representative Dixon and invited Representative Packer to the podium to present **H 131**.

Representative Packer said she thought **H 131** was a very simple bill. It was written because of ITD's Administrative Rule dealing with the issue of set hours of operation for vehicle dealers. A portion of that rule was rejected in this Committee and was passed in the House Transportation and Defense Committee. Because of concerns with the essence of the rule, **H 131** is a safety net that she and some of her colleagues are trying to put into place so small dealers with limited sales do not have to have specific business hours and a bricks and mortar place of business. The bill allows a dealership to simply post a telephone number on their building in lieu of maintaining a certain set number of hours each week. ITD said their concern was that there would be a valid phone number available for consumers to use as needed. She cited an example of a friend who went to auctions and fixed up vehicles to sell. If more than four vehicles are sold per year, the seller has to have a dealership license. Her friend did sell more than four vehicles, but could not justify having a bricks and mortar place of business or setting 20 hours of operation per week. This is a compromise to accommodate the small dealers, and it allows new businesses to get started. **Representative Packer** stood for questions.

Senator Hagedorn asked if consideration had been given to increasing the number of vehicles sold to eight or ten before a dealership license is required. **Representative Packer** responded that it had not been a consideration.

Senator Den Hartog referred to page 2, lines 30 and 31, where it states the telephone number should be posted on the dealer's structure. She asked how those without structures would handle this requirement. **Representative Packer** said that most have a structure even if it is their home. **Senator Den Hartog** asked if **H 131** was passed, would other vehicle dealers still need to abide by the Administrative Rule. **Representative Packer** said the rule would still stand unless it was reconsidered or ITD made changes to it.

Chairman Brackett asked Alan Frew, ITD's Motor Vehicles Administrator, if he would comment on the last question. **Mr. Frew** read from the rule. The legislation says open at all regular times and then goes on and adds the time. He said that the language of the rule and that of **H 131** are in conflict.

Senator Winder asked if the legislation does what the sponsor said it will do. A commercial structure is not a home. What about the reasonable time issue? It appears that a small business does not have to comply with the rule. **Representative Packer** said that she had been led by ITD to believe there was not a conflict.

Senator Vick said he supports what **H 131** is trying to do. Line 47 reads as though a single dwelling house could be a principle place of business. **Mr. Frew** asked how the provision would be enforced. Definitions are part of the law; perhaps a hotel room would be allowed. ITD is forgiving in strict enforcement of the law. He gave an example of businesses run out of the back of campers as being a place of business. ITD recognizes that dealerships are doing the best they can. The idea of a principle place of business is to protect the consumer and the business. **Senator Vick** quoted another section stating the business must be large enough to display five or more vehicles inside. He was uncertain what it meant by "inside". **Mr. Frew** said ITD interprets it as being either inside or outside. **Senator Vick** said he did not want to prohibit passing this bill, but he thought it may need amending. He also offered the Committee an option of rejecting the Administrative Rule by considering the SCR/RS he had drafted. It would require unanimous consent to have it printed in a privileged committee.

Chairman Brackett offered that rules and statutes carry the same weight; if they're in conflict, then the conflict needs to be resolved. **Mr. Frew** corrected the Chairman in that rules clarify laws, and therefore, statutes supersede rules. **Chairman Brackett** thanked Mr. Frew for the clarification.

Senator Winder commented that he was disappointed that ITD allowed businesses to operate out of vehicles. As an example of how that practice could cause complications, he queried whether legitimate dealers who want to grow their outside sales should be allowed to come to Boise from Twin Falls to sell their vehicles from a mobile place of business. He wanted to know if there was a warranty issue and why ITD was so forgiving. **Mr. Frew** said that ITD has an obligation to Idaho consumers and they are constantly balancing customer service. The Administrative Rule was worded and brought forward by the dealer's advisory board. The rule is not trying to put small operations out of business. It is like an incubator, they start their business in the back of a camper, sell a few vehicles, and grow from there. ITD does not want to discourage that. They closely monitor new vehicle dealers to make sure they're doing things correctly. ITD provides insight and training to help the small dealers grow their business. The good ones migrate quickly.

Senator Buckner-Webb commented that she was pro-entrepreneurial business ventures, but she was concerned that the mobile business may relocate before the consumer has problems with the vehicle. She also thought that many neighborhoods do not like having four or more vehicles in a neighbors yard. Consequences to the consumer are very high.

Senator Hagedorn asked if Mr. Frew could offer a number of cars sold in a year higher than four before a license would be required. **Mr. Frew** said there was no magic number. Perhaps the timeframe from annually to quarterly could be changed. They could look at what other states are doing.

Senator Winder suggested that the Internal Revenue Service (IRS) may have restrictions. He gave the example from the real estate industry. If a realtor sells more than a certain number of properties each year there are tax ramifications.

Representative Packer said she agreed with the concern over neighborhoods but thought city ordinances could resolve that issue. She cares about the consumer and agrees there is a distinct conflict between weekend dealers and the consumers' needs. She would leave it to the Committee to determine the best route forward for **H 131**.

MOTION:

Senator Vick said that while the language could be improved, he moved to send **H 131** to the floor with a **do pass** recommendation. **Senator Keough** seconded the motion. **Chairman Brackett** asked if there was discussion on the motion.

Senator Den Hartog said she would be okay if the bill was in concert with rejecting the rule.

Senator Keough said that while the language may not meet the presenter's needs, she was comfortable with the proposed addition in the bill and that it takes care of small businesses. She thought the rule was more confining.

Senator Winder supported what the presenter is trying to do, but thought **H 131** should either be sent to the 14th Order for amendment or held in Committee.

Senator Hagedorn said that amending the bill would not be that simple. It is important for businesses to be accountable to their customers, the consumer. He would like to see the number of vehicle sales changed from four per year before licensing is required.

SUBSTITUTE MOTION:

Senator Hagedorn moved to hold **H 131** in Committee. **Senator Lacey** seconded the motion. **Chairman Brackett** asked if there was discussion on the substitute motion.

Senator Vick said he was not opposed to sending **H 131** to the 14th Order if someone knew how to craft amendments. He was opposed to the substitute motion.

Senator Winder said he had no suggestions for amendments and that amending sections would be difficult. He supported holding the bill.

Senator Hagedorn supported sending the bill to the 14th Order but thought all the stakeholders had to be consulted first.

VOTE ON SUBSTITUTE MOTION:

Chairman Brackett called for a vote on the substitute motion. The motion passed by **voice vote**.

Senator Winder said he would work with Representative Packer to address the concerns with legislation for next year's Legislative Session.

Chairman Brackett suggested that the effort should include coordinating legislation with the Administrative Rule.

Senator Vicked asked if the Committee wanted to bring up the SCR to change the rule; sentiment on the House side had changed.

Senator Winder asked if the sentiment had changed because the Committee rejected that portion of the rule affecting hours of business and the House committee accepted the entire rule; making the rule approved as submitted.

Senator Vick said that if the House passed the SCR, then the rule would be rejected.

Chairman Brackett asked that since Chairman Palmer of the House Transportation and Defense Committee was in the audience, would he like to comment. **Chairman Palmer** said that if the SCR came over to his committee, it would be heard.

**UNANIMOUS
CONSENT
REQUEST:**

Senator Vick asked for unanimous consent to send his RS to a privileged committee to be printed. **Senator Lacey** objected. The unanimous consent request failed.

ADJOURNED:

With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 2:26 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AGENDA
SENATE TRANSPORTATION COMMITTEE
1:00 P.M.
Room WW53
Tuesday, March 24, 2015

SUBJECT	DESCRIPTION	PRESENTER
<u>NOTE THAT THE MEETING CONVENES AT 1:00 P.M.</u>		
Minutes	Approve the Minutes of the February 24, 2015 meeting.	Senator Vick and Senator Den Hartog
Page Graduation	Farewell to Committee Page Molly Ashby of Meridian for her service during the second half of the Legislative Session.	Chairman Brackett
<u>H 262</u>	Provides a framework for the operation of Transportation Network Companies in Idaho by adding a new chapter to Title 49, Idaho Code: <u>Chapter 37 - Transportation Network Company Services Act.</u>	Ken McClure, Givens Pursley

**FUTURE MEETINGS OF THE SENATE
TRANSPORTATION COMMITTEE WILL BE
AT THE CALL OF THE CHAIR**

Unless Other Meetings Are Called,
Approval of Remaining Meeting Minutes
Will Occur VIA Buckslip

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett
Vice Chairman Nonini
Sen Keough
Sen Winder
Sen Hagedorn

Sen Vick
Sen Den Hartog
Sen Buckner-Webb
Sen Lacey

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
Phone: 332-1332
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MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Tuesday, March 24, 2015

TIME: 1:00 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey

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 Brackett** called the meeting of the Senate Transportation Committee (Committee) to order at 1:06 p.m. and welcomed everyone in attendance.

MINUTES APPROVAL: **Senator Vick** moved to approve the Minutes of February 24, 2015. **Senator Den Hartog** seconded the motion. The motion carried by **voice vote**.

PAGE GRADUATION: **Chairman Brackett** said that the Committee sadly was graduating its Page, Molly Ashby of Meridian, Idaho. Ms. Ashby has served the Committee and the Committee's Secretary well. He had heard excellent comments regarding her work on the Senate floor and with Leadership. **Chairman Brackett** presented Ms. Ashby with gifts of appreciation and letters of recommendation from the Committee. He then invited her to take the podium to share her legislative experience and her future plans.

Ms. Ashby said that serving the Idaho Senate has been an amazing opportunity, and that she would not change the experience for anything. She thanked the Committee members for their kindness and help during the time she had served the Committee. As for her future plans, **Ms. Ashby** will be attending Utah State University in Logan, Utah this fall. Because of her experience here, she had a renewed and intense interest in government. She only hopes she will turn out as good as the members of the Committee. **Ms. Ashby** said she would stand for questions, but there were none.

H 262: **Chairman Brackett** thanked Ms. Ashby and invited Ken McClure of Givens Pursley to take the podium to present **H 262**.

Mr. McClure said he was before the Committee representing Uber, a Transportation Network Company (TNC). **Mr. McClure** asked the Committee Page to distribute two handouts, one that explained what Uber was and how it worked, and another that compared the insurance and safety requirements between a Boise Uber operated car and a Boise taxi.

TNCs represent a new technology that could not have existed ten years ago. Uber connects passengers with drivers through a smartphone application (app). It offers forward-looking transportation options by giving drivers added efficiency and an opportunity to grow their own business while offering passengers access to safe and reliable choices in transportation. No cash is exchanged in the transaction. Uber is available in cities across the country and around the world. It has tried providing services in Boise since October 2014.

H 262 is a new chapter that begins by defining TNCs. Taxis do not meet the definition. TNCs require a thorough background check, vehicle inspection, records are kept, and a driver cannot be street hailed. TNCs are needed because cities are growing beyond their boundaries into larger communities; transportation knows no boundary lines. Commerce interacts with residents throughout the Treasure Valley. Coeur d'Alene is in a similar situation. He said the needs are crying out for uniformity and a city should not be able to thwart this opportunity. Currently, Uber can operate in surrounding cities but not in Boise. He continued by stating that there will be testimony by Julie Hart regarding insurance. That will be addressed in another bill coming from the Idaho House. **Mr. McClure** asked to yield to Bryce Bennett of Uber.

Before yielding, **Chairman Brackett** asked if there were any questions for Mr. McClure.

Senator Keough asked Mr. McClure to point her to the statute that defines vehicles for hire. **Mr. McClure** said there was no statute defining taxis.

Senator Hagedorn asked if TNCs other than Uber were operating in Idaho. **Mr. McClure** said there are other competitors, but to his knowledge none were operating in Idaho.

TESTIMONY:

Bryce Bennett, Manager for Uber in Idaho, began his testimony by offering clarity on how the business works. He said that Uber is a simple idea of a cashless platform using GPS and a smartphone app. An individual requests a ride via their smartphone app and connects with a responding driver nearest to their location. The passenger knows exactly who is picking them up by photo, description and ratings; they get a cost estimate quote. The passenger gets a receipt via email, and the cost is charged to their credit card on file. The driver and the rider can rate each other, which is part of the accessible database for choosing drivers and passengers.

Each driver undergoes a required background check that includes federal and criminal information going back seven years based on Social Security number and date of birth. The National Registry for Sex Offenders is one of the databases that is checked. Insurance coverage is for \$1 million, vehicles are inspected initially and annually thereafter, and the vehicle can't be more than five years old. Uber started in the Treasure Valley in October 2014 by providing an economic opportunity for drivers and a reasonably priced convenience for passengers. Uber has provided tens-of-thousands of transactions in the Treasure Valley in the past six months without incident. From the Meridian, Idaho operation, 50 percent of the transactions were for travel across state lines. This bill will bring regulatory clarity not only for Uber but also for competitors. **Mr. Bennett** stood for questions.

Senator Hagedorn asked how often security background checks were done. **Mr. Bennett** said they were performed annually.

TESTIMONY:

Steve Rutherford, prosecuting attorney for the City of Boise, said that Boise was excited to have Uber come to Idaho despite the short-term issues with an interim operating agreement. An ordinance will be heard at the March 31, 2015 City Council meeting that will allow Uber to operate lawfully in the City of Boise. Boise's concern is public safety; a fingerprint background check is not performed for Uber drivers. Boise's background check for its taxi drivers is the gold standard for safety. Another issue was who conducts safety inspections on a driver's vehicle. Vehicle inspections need to be performed at a registered shop. The inspection costs \$84 from the certified shops registered with the city.

TNCs are involved in cities around the country and all of them have these requirements. For the public's safety, the city is asking that the State mirror those regulations. **Mr. Rutherford** concluded by saying the city is recommending that **H 262** be held in Committee or be amended to include fingerprint background checks and certified maintenance inspections on a driver's vehicle. There were no questions for Mr. Rutherford.

TESTIMONY:

Brian Taggart, a Boise resident, 26-year active duty veteran, and registered Uber driver, said that he was excited to be part of the solution to the ride-sharing problem. **Mr. Taggart**, who has held top-secret clearance and never been fingerprinted, felt the background check was sufficient. He said it was a win-win for all parties. As a real time driver, he stood for questions.

Senator Keough asked what the background check was and how it worked. **Mr. Taggart** said he gave them his permission for the check to be done and his Social Security number, and it was done. **Senator Keough** asked if he had to give his driver's license. **Mr. Taggart** said that he did.

TESTIMONY:

Seth Grigg, Executive Director of the Association of Idaho Cities, said he was collectively representing 200 cities across Idaho. He does not like the local preemption on page 4, lines 23 through 29. It prohibits any city from enacting any kind of ordinance against a TNC. This undermines cities maintaining local control, as is the practice in other states, for as long as local governments don't specifically prohibit their operation. The City of Boise will pass an ordinance to approve Uber to operate within determined parameters. If this bill passes, Uber would be able to operate. There would be no local preemption for them not to operate. **Mr. Grigg** asked that **H 262** be held in Committee or sent to the 14th Order to allow local control to occur. **Mr. Grigg** stood for questions.

Vice Chairman Nonini told Mr. Grigg he had mentioned three things: regulate, fees and taxes. He wanted to know if cities were looking for more revenue or more regulation. **Mr. Grigg** said these types of regulations are not revenue generators for cities. The standards missing are for passenger safety. If a city wants a greater regulated standard, it should be allowed.

Senator Den Hartog asked how cities regulate taxis and whether taxis are able to cross boundaries in order to operate in other cities. **Mr. Grigg** said that his understanding is that Boise is the only city that regulates taxis.

Senator Hagedorn wanted to know if Mr. Grigg knew how cities regulate International Fuel Tax Agreement (IFTA) regulated trucks. **Mr. Grigg** did not have that answer.

TESTIMONY:

Hannah Ball of Eagle, Idaho, a combat veteran of the United State Army, supports **H 262**. She became an Uber driver in November 2014 and has given 200 passenger rides. She is a full time driver and also uses the service on weekends. **Ms. Ball** said that Uber has been a wonderful experience and it delivers a great quality product. She was happy to answer any driver perspective questions the Committee might have.

Senator Hagedorn thanked her and Mr. Taggart for their service to the country.

TESTIMONY: **Geoff Schroeder**, a city councilman in Mountain Home, said that this issue was discussed the previous night in their city council meeting. Mountain Home licenses and regulates taxis, and they have two Uber drivers. The point of a license is to exclude, but the purpose is public safety. Uber's drivers are not taxis so they don't fall under the regulations for taxis, and Uber's safety requirements are more strict than those for Mountain Home taxi drivers. **H 262** does not bother him, and he does not like regulations. He knows there is a dispute between the City of Boise and Uber, but he supports the bill. There were no questions for Mr. Schroeder.

TESTIMONY: **Julie Hart**, Westerberg & Associates, testified on behalf of her client, Enterprise Rental Car. Their concern was with the language on page 2, lines 1 through 5. Uber and Enterprise are in agreement with making a change to the definitions of "drivers for hire" and "drivers ride match or rideshare". She said Mr. McClure made reference to a trailer bill containing amendments to **H 262**. She is happy with that or with the Committee sending the bill to the 14th Order. **Ms. Hart** stood for questions.

Senator Keough asked if Ms. Hart had seen the trailer bill. **Ms. Hart** said she had not and that was a source of concern.

TESTIMONY: **Dawn Peck**, the Bureau of Criminal Identification at the Idaho State Police headquarters, said she is a fingerprint biometric expert. She said the City of Boise wants their drivers fingerprinted because fingerprints don't care about names or Social Security numbers. She has found that many people have multiple names and can get by a public background check; dates of birth and Social Security numbers are interchangeable. Biometric fingerprint checks are done through the Federal Bureau of Investigation's database and other databases throughout the United States and internationally. There were no questions for Ms. Peck.

CLOSING REMARKS: With no others wishing to testify, **Chairman Brackett** invited Mr. McClure to return to the podium to give his closing remarks.

Mr. McClure said he wanted to respond to the City of Boise's upcoming ordinance. Uber will not be in Boise if it passes because the degree of regulatory requirements are too great. The insurance requirement is not imposed on anyone else. The regulations they want to impose will take away this opportunity. Uber goes to great extents with their background check; it checks through more data bases than biometric fingerprints would check. Safety is paramount, but there comes a point where it becomes excessive. **Mr. McClure** used the example of services like electricians or plumbers that come to someone's home; they are not background checked. He believes Uber has gone the extra mile and the public can choose whether to use the service or not. That is the way the market functions. **Mr. McClure** assured Enterprise Rental Cars that their concern would be addressed in the trailer bill. The bill also contains insurance that was removed. The bill would be in the House the following day. **Mr. McClure** thanked the Committee and stood for questions

Senator Buckner-Webb asked if there was any chance that Uber and the City of Boise could bring a working group together to arrive at a compromise. **Mr. McClure** said he would like to say yes, but they have already spent five months working out the differences with staff so that both sides could live with the requirements. The city council, however, said no to that agreement. If that is the current view of the Boise City Council then having Uber in Boise will not work.

Senator Keough said that her concern was the new articles coming from major media outlets. CNN Money said that the head of global safety at Uber said they are enhancing global screening. **Mr. McClure** said the technology is not yet ready. They want to take issue with a passenger being in a vehicle alone. The passenger can choose to use any of the drivers offered; they have a photo of the driver and they have their application to review before deciding to select a specific driver. There is no system of background checks that can guarantee safety 100 percent.

Senator Den Hartog asked which state agency would be charged with oversight and would that cause a problem for the fiscal note as written. **Mr. McClure** said that no state agency is required to have oversight. There are many businesses that do not need a regulator. There were no further questions for Mr. McClure.

MOTION: **Senator Nonini** moved to send **H 262** to the floor with a **do pass** recommendation. **Senator Hagedorn** seconded the motion.

SUBSTITUTE MOTION: **Senator Lacey** moved to hold **H 262** in Committee. **Senator Buckner-Webb** seconded the motion.

DISCUSSION: **Chairman Brackett** asked if there was any discussion on the substitute motion.

Senator Lacey gave examples of many different industries where cities require a license. This bill is a move to take local control away from cities, and he is an advocate for local control. The problem on page 2, line 4 is not a taxicab but a for-hire vehicle. The bill is flawed.

Senator Den Hartog agreed that this bill is overstepping local control and the fact is that Uber has a conflict with the City of Boise. She believes the bill usurps local jurisdictions.

Senator Vick offered a comment to Senator Lacey's statement about licensing services. Plumbers and electricians are licensed by the State, not by cities.

Senator Buckner-Webb stated that she would support the substitute motion.

Senator Hagedorn said he supports the original motion. This is not a Boise issue, this is a state issue. This bill will help people all over the State including rural communities that don't have access to taxis. Uber belongs in all of Idaho.

ROLL CALL VOTE ON SUBSTITUTE MOTION: **Chairman Brackett** called for a roll call vote on the substitute motion. **Senators Den Hartog, Buckner-Webb and Lacey** voted aye. **Chairman Brackett, Vice Chairman Nonini, Senators Keough, Hagedorn and Vick** voted nay. Senator Winder was absent for the vote. The motion failed.

ROLL CALL VOTE ON MOTION: **Chairman Brackett** called for a roll call vote on the original motion. **Chairman Brackett, Vice Chairman Nonini, Senators Keough, Hagedorn and Vick** voted Aye. **Senators Den Hartog, Buckner-Webb and Lacey** voted Nay. Senator Winder was absent for the vote. The motion passed. Vice Chairman Nonini will carry the bill on the floor.

ADJOURNED: With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 2:06 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AMENDED AGENDA #1
SENATE TRANSPORTATION COMMITTEE
1:00 P.M.
Room WW53
Tuesday, March 31, 2015

SUBJECT	DESCRIPTION	PRESENTER
Minutes	Approve the Minutes of the March 3, 2015 meeting.	Senator Keough and Senator Buckner-Webb
	Approve the Minutes of the March 5, 2015 meeting.	Senator Hagedorn and Senator Lacey
	Approve the Minutes of the March 17, 2015 meeting.	Vice Chairman Nonini and Senator Keough
	Approve the Minutes of the March 19, 2015 meeting.	Senator Vick and Senator Den Hartog
<u>H 316</u>	Establishes requirements of Transportation Network Companies to operate in Idaho.	Mike Brassey, Hopkins Roden and Ken McClure, Givens Pursley
<u>H 311</u>	Taxation Policy on Motor Fuel, Income Tax and Sales Tax on Food.	Representative Moyle

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett	Sen Vick
Vice Chairman Nonini	Sen Den Hartog
Sen Keough	Sen Buckner-Webb
Sen Winder	Sen Lacey
Sen Hagedorn	

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
Phone: 332-1332
email: stran@senate.idaho.gov

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Tuesday, March 31, 2015

TIME: 1:00 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey

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 Brackett called the meeting of the Senate Transportation Committee (Committee) to order at 1:03 p.m. and welcomed all in attendance.

MINUTES APPROVAL: **Senator Keough** moved to approve the Minutes of March 3, 2015. **Senator Buckner-Webb** seconded the motion. The motion passed by **voice vote**.

MINUTES APPROVAL: **Senator Hagedorn** moved to approve the Minutes of March 5, 2015. **Senator Lacey** seconded the motion. The motion passed by **voice vote**.

MINUTES APPROVAL: **Vice Chairman Nonini** moved to approve the Minutes of March 17, 2015. **Senator Keough** seconded the motion. The motion passed by **voice vote**.

MINUTES APPROVAL: **Senator Den Hartog** moved to approve the Minutes of March 19, 2015. **Senator Vick** seconded the motion. The motion passed by **voice vote**.

H 316: **Chairman Brackett** invited Mike Brassey, Hopkins Roden, to the podium to present **H 316**.

Mr. Brassey, representing State Farm Insurance Company, said he supported **H 316**. This bill relates to transportation network companies (TNC). There have been several bills in the Legislature this year relating to this subject. **H 262**, which passed both houses of the Legislature related to the regulation of TNCs as a business. There have been two other bills introduced in the House related to the requirements for insurance for TNCs and their drivers. Those two insurance bills were part of a larger national discussion on the treatment of insurance for TNCs. Six states have enacted legislation relating to this subject and at least twice that number are considering legislative proposals. Some insurers and Uber reached a settlement on model legislation that they could support in the various states considering this issue. Since the initial settlement, most major TNCs and insurers have joined in the settlement. **H 316** is a product of that settlement.

Mr. Brassey went through all sections of **H 316** except for Section 2. **Mr. Brassey** said that since Mr. McClure was the sponsor of the original bill, **H 262**, he requested that Mr. McClure be allowed to explain Section 2, and then he and Mr. McClure would stand for questions.

Mr. McClure, Givens Pursley, said that he was representing Uber, a TNC. **Mr. McClure** said that this is the trailer bill he referred to when **H 262** was before the Committee. **H 316** addresses the insurance issues Mr. Brassey discussed and clarification issues raised during the hearing of **H 262**. Section 2 clarifies the definition of a TNC that is on a college campus. The difference is that drivers on a college campus perform a service just to cover their costs and not for a profit. If the service is performed for a profit, it is defined as a TNC. **Mr. McClure** and **Mr. Brassey** stood for questions.

Senator Hagedorn wondered what happens when the charge for a ride exceeds the cost of the ride. **Mr. McClure** said that was the language that was requested. The definition of a TNC is someone who charges more than the ride costs. There were no further questions.

TESTIMONY:

Julie Hart of Westerberg & Associates said she was representing Enterprise Rent-A-Car. She said the insertion into the bill that Senator Hagedorn questioned was requested by her. She supports that amendment. There were no questions for Ms. Hart.

MOTION:

Vice Chairman Nonini moved that **H 316** be sent to the floor with a **do pass** recommendation. **Senator Buckner-Webb** seconded the motion. The motion passed by **voice vote**. **Vice Chairman Nonini** offered to carry the bill on the floor.

H 311:

Chairman Brackett welcomed House Majority Leader, Representative Moyle of Star, Idaho, to the Committee and invited him to take the podium to present **H 311**.

Representative Moyle went through the highlights of the bill: (1) it removes the sales tax on groceries beginning on October 1, 2015; (2) the sales tax subsidy on groceries is removed effective January 2015; (3) there is a seven cent per gallon increase on fuel tax with a new distribution schedule; (4) there is an adjustment to the income tax with upper income bands consolidated at a flat tax rate of 6.7 percent; and (5) there is a one-time \$5 million distribution from the Income Tax Refund Account with \$3 million going to ITD and \$2 million going to local entities. He noted that 20 percent of taxes raised go back into the Income Tax Refund Account.

Representative Moyle said that the State had not had to borrow from the Income Tax Refund Account for the last two years. He continued that 11.5 percent of all sales tax goes to cities and counties; the formula changed in 2011. With the elimination of sales tax on groceries, they did not want to hurt cities and counties with a reduced distribution. **H 311** allows for the Income Tax Refund Account distribution to occur at the end of June for the next three years when the provision sunsets. **H 311** offers tax relief for Idaho's citizens. **Representative Moyle** stood for questions.

Chairman Brackett recognized that House Speaker Bedke, Legislative District 27, was in the audience and asked if he had any additional comments he would like to share.

Speaker Bedke said that as soon as the 2014 election was over, he and others began working on a strategic plan for this Legislative Session. They would consider this Session a success if major investments were made in education and the road system in Idaho. **H 311** is a compilation of many bills, but this bill starts transportation funding down the road. Education is on a separate track. Education has been successful; a teacher hired this coming school year will be making \$44,000 annually in five years. In the spirit of cooperation, **H 311** positions Idaho to be in a better place economically. This bill flattens the top income tax bands, and the other bands remain the same, making it easier on businesses that provide 82 percent of the jobs in the State. **Speaker Bedke** thanked the Committee and stood for questions.

Senator Hagedorn said that **H 311** brings \$65 million to Idaho roads with a \$200 million shortfall. **Senator Hagedorn** asked how that gap would be filled. **Speaker Bedke** said there are two other bills, **H 310** and **H 312**, in the Committee that address the shortfall. There were no other questions for Speaker Bedke or Representative Moyle.

Chairman Brackett thanked both Speaker Bedke and Representative Moyle for their presentations. He said the Committee was under a time constraint and would hear as much testimony as time allowed. He asked speakers to limit their testimony to three or four minutes.

Chairman Brackett offered each member of the Committee an opportunity to direct questions to those testifying until they were satisfied that their questions were fully addressed.

TESTIMONY: **Wayne Hoffman**, President of the Idaho Freedom Foundation, spoke in favor of the bill. He said **H 311** puts new money into roads and bridges while helping those Idahoans who need help the most. It provides meaningful tax relief across Idaho, especially when buying groceries. Consumers no longer have to wait for their tax subsidy, they get tax relief at the point of purchase. **Mr. Hoffman** stood for questions. **Senator Keough** and **Vice Chairman Nonini** discussed the Idaho Freedom Foundation and the impact **H 311** will have on low and middle income citizens.

TESTIMONY: **Karen Echeverria**, Executive Director of the Idaho School Boards Association, said that members of her board and the education community are concerned with **H 311** because of its dependence on funds from the State's General Fund. The previous week the Legislature passed funding bills for education that come out of the General Fund over multiple years. The concern is the impact **H 311** could have on education's future funding. **Ms. Echeverria** stood for questions, but there were none.

TESTIMONY: **Bob Neugebauer**, Publisher of the Gem State Patriot, said **H 311** is the best piece of legislation to come out of this Legislative Session, and he supports the bill. It is a rational compromise that includes something for everyone. It puts more money into the pockets of Idaho taxpayers. The effect from that alone will cause greater economic growth. It offers a more competitive tax structure. **Mr. Neugebauer** stood for questions. **Senator Hagedorn** discussed Mr. Neugebauer's readership and ideas on filling the gap in revenue.

TESTIMONY: **Donna Yule**, Executive Director of the Idaho Public Employees Association, spoke in opposition to **H 311**. The only portion of the bill her organization agrees with is the increase in the gas tax. She encouraged the Committee to find ways to raise revenue needed for important government programs that are fair to all the working people of Idaho. She expressed why her organization was against the remaining changes in the bill. Legislators need to come up with fair solutions to the State's funding shortfall, and **H 311** is not that solution. **Ms. Yule** stood for questions, but there were none.

TESTIMONY: **Pam Eaton**, President and CEO of the Idaho Retailers Association, spoke in opposition to the bill. Their concern was with the elimination of the sales tax on groceries. **H 311** impacts a lot of retailers other than grocery stores. The Supplemental Nutrition Assistance Program (SNAP) definition is problematic. Grocery stores are already part of SNAP, but other department stores that sell food (like Target) are not. They will have to change their systems, and SNAP is left for interpretation. The Idaho State Tax Commission (STC) will have to go through the rulemaking process. Thankfully, the transition date is pushed out to October 2015. Retailers need at least 90 days to implement changes once the rules are set. This means that STC will need to have their rulemaking completed by July 1, 2015. That is problematic all by itself. This is a logistical change for retailers. **Ms. Eaton** stood for questions. **Senator Den Hartog** made the point that some retailers already operate in states with no sales tax on groceries. **Ms. Eaton** said the concern was for the independent retailer.

Chairman Brackett reluctantly closed the debate with two remaining people signed up to testify. Both would have testified in opposition to the bill.

**CLOSING
REMARKS:**

Chairman Brackett invited Representative Moyle to make his closing remarks.

Representative Moyle addressed some of the concerns raised. He said the best way for education to receive more money is to grow the economy. As more revenue is generated, economic benefits will flourish. He said that Idaho is not very competitive with other states. As examples, he said that neither Oregon nor Washington have a sales tax on groceries, so Idahoans cross the borders to buy their groceries in neighboring states. He said that those in the lower annual income bands will benefit from economic growth in addition to getting their groceries at a lower cost. Over 82 percent of Idaho businesses are the driving economic force in this State; they provide most of the jobs and they will benefit. He said he would stand for any final questions.

Senator Hagedorn asked how the percentage changes in the distribution of state and local funds came to be, given it was not a topic of discussion at the interim task force. **Representative Moyle** said there was some patchwork. The added funds go to local governments and will offset some General Fund dollars. There were no further questions.

Chairman Brackett told the Committee that **H 311** was before them.

Senator Winder thanked the House Majority Leader, Representative Moyle, and Speaker Bedke for getting this bill to the Committee for consideration. He said there are serious concerns about the taxes for roads and there are people who want to testify but are unable to because of the time constraints of the hearing. While this is not the best situation, the Committee is obligated to make a decision on this legislation.

MOTION: **Senator Winder** moved to send **H 311** to the floor with **no** recommendation. **Senator Keough** seconded the motion.

Senator Winder said that he did not want to be in a position where the Committee killed a transportation funding bill without the Senate body having an opportunity to consider it.

Vice Chairman Nonini said he had similar feelings about rushing consideration of **H 311**. He also felt that Senator Winder's motion to move a policy without a recommendation was premature. There is additional testimony that the Committee needs to hear.

SUBSTITUTE MOTION:

Vice Chairman Nonini moved to hold **H 311** in Committee at the call of the Chair. **Senator Den Hartog** seconded the motion. The substitute motion failed by **voice vote**.

Senator Hagedorn said he believes the tax portion of **H 311** should be moved forward.

SUBSTITUTE MOTION:

Senator Hagedorn moved to send **H 311** to the floor with a **do pass** recommendation. The substitute motion failed for lack of a second.

Senator Hagedorn called for a roll call vote on the original motion.

Chairman Brackett asked for a motion to have a roll call vote.

SUBSTITUTE MOTION:

Senator Hagedorn moved for a roll call vote on the original motion. **Senator Vick** seconded the motion. The motion passed by **voice vote**.

ROLL CALL VOTE ON ORIGINAL MOTION:

Chairman Brackett, Senators Keough, Winder, Hagedorn, Vick, Buckner-Webb and **Lacey** voted aye. **Vice Chairman Nonini** and **Senator Den Hartog** voted nay. The motion passed. No floor sponsor was identified.

ADJOURNED:

With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 1:59 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AGENDA
SENATE TRANSPORTATION COMMITTEE
1:00 P.M.
Room WW53
Thursday, April 02, 2015

SUBJECT	DESCRIPTION	PRESENTER
Minutes	Approve the Minutes of the March 24, 2015 meeting.	Senator Winder and Senator Buckner-Webb
<u>H 312</u>	Transportation, Vehicle Fees	Representative Palmer

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett

Vice Chairman Nonini

Sen Keough

Sen Winder

Sen Hagedorn

Sen Vick

Sen Den Hartog

Sen Buckner-Webb

Sen Lacey

COMMITTEE SECRETARY

Gaye Bennett

Room: WW33

Phone: 332-1332

email: stran@senate.idaho.gov

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Thursday, April 02, 2015

TIME: 1:00 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey

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 Brackett** called the Senate Transportation Committee (Committee) to order at 1:02 p.m. and welcomed all in attendance.

MINUTES APPROVAL: **Senator Winder** moved to approve the Minutes of March 24, 2015. **Senator Buckner-Webb** seconded the motion. The motion passed by **voice vote**.

H 312: **Chairman Brackett** welcomed Representative Palmer, Chairman of the House Transportation and Defense Committee, and invited him to take the podium to present **H 312**.

Representative Palmer thanked the Chairman, looked around at the Committee, and asked that **H 312**, a transportation funding bill, be moved forward. He asked the Committee to review it and then pass it along to the Senate floor. **Representative Palmer** stood for questions.

Senator Winder thanked Representative Palmer for getting this bill to the Committee. **Senator Winder** said he realized it was not an easy task to get the two legislative bodies to agree on elements of transportation funding legislation. **Senator Winder** commended him for his work.

Chairman Brackett also thanked Representative Palmer and said he stood with the sentiments expressed by Senator Winder in his praising of the effort expended by Representative Palmer in getting **H 312** to the Senate. He said he understood there was business in the House that needed Representative Palmer's attention.

Representative Palmer thanked the Senators and the Committee and departed the hearing.

Chairman Brackett welcomed those who signed up to testify on **H 312** and offered each member of the Committee an opportunity to direct questions to those testifying until they were satisfied that their questions were fully answered.

TESTIMONY: **Brent Olmstead** said he was representing the Milk Producers of Idaho and the tax committee of the Idaho Food Producers. Both organizations support this legislation. **Mr. Olmstead** stood for questions. **Senators Winder** and **Hagedorn** asked questions regarding enforcing wrongful dyed diesel use, penalties and whether testing, or dipping, is being done by the Idaho State Police (ISP).

TESTIMONY: **Seth Grigg**, Executive Director of the Association of Idaho Cities, said he was also representing the Idaho Association of Counties and the Idaho Association of Highway Districts. All three organizations support **H 312**. It is a challenge to maintain roads on the local level. The Highway Distribution Account (HDA) brought \$120 million in revenue to local jurisdictions, but costs continue to increase and revenue received remains constant. The work local governments perform needs to be supported. They all support a broad base of ways to generate transportation revenue. **Mr. Grigg** stood for questions. **Senator Hagedorn** asked about property taxes and whether they help offset increased costs.

TESTIMONY: **Jeremy Chou**, Givens Pursley and representing the American Council of Engineering Companies (ACEC) of Idaho, said they support **H 312**. This bill is a good start, but the need is \$262 million per year and this bill does not meet that need. When not spending money on maintenance, it becomes a matter of deficit spending. Therefore, ACEC of Idaho supports amending **H 312**. **Mr. Chou** said he knows there is a need for a consensus in the next week or two. **Mr. Chou** stood for questions, but there were none.

Chairman Brackett asked if there were others in the audience who wished to testify, but there were none. He told the Committee that **H 312** was now before them.

Senator Keough said that this bill deals with increases in registration fees for cars and trucks as well as fees for electric and hybrid vehicles. This is a step in the right direction, but falls short of the needs of \$262 million per year for maintenance.

MOTION: **Senator Keough** moved to send **H 312** to the 14th Order for amending. **Senator Hagedorn** seconded the motion.

Chairman Brackett asked if there was any discussion on the motion.

Senator Vick called for a roll call vote on the motion. **Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Buckner-Webb** and **Lacey** voted aye. **Senators Vick** and **Den Hartog** voted nay. The motion passed.

Senator Winder said he believed the Chairman and Committee members had ideas for amendments that will be advanced. Monday, April 6, 2015, would be the soonest that the bill could be amended. He encouraged those who had amendments to get them to the Secretary of the Senate quickly.

Chairman Brackett stated that there had been discussion within the Committee and among colleagues regarding possible amendments.

Senator Winder said that unlike in the House, amendments are done in the Committee of the Whole on the Senate floor. He mentioned that there are still other transportation funding bills that need to be considered.

Chairman Brackett thanked the Committee and confirmed that there are other bills being discussed that would address transportation funding needs.

ADJOURNED: With no other business before the Committee, **Chairman Brackett** adjourned the meeting at 1:23 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary

AGENDA
SENATE TRANSPORTATION COMMITTEE
9:00 A.M.
Room WW53
Wednesday, April 08, 2015

SUBJECT	DESCRIPTION	PRESENTER
H 310	Transportation, Apportionment	Representative Monks

If you have written testimony, please provide a copy of it along with the name of the person or organization responsible to the committee secretary to ensure accuracy of records.

COMMITTEE MEMBERS

Chairman Brackett	Sen Vick
Vice Chairman Nonini	Sen Den Hartog
Sen Keough	Sen Buckner-Webb
Sen Winder	Sen Lacey
Sen Hagedorn	

COMMITTEE SECRETARY

Gaye Bennett
Room: WW33
Phone: 332-1332
email: stran@senate.idaho.gov

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Wednesday, April 08, 2015

TIME: 9:00 A.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Nonini, Senators Keough, Winder, Hagedorn, Vick, Den Hartog, Buckner-Webb and Lacey

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 Brackett** called the meeting of the Senate Transportation Committee (Committee) to order at 9:03 a.m. and welcomed all in attendance.

Speaker Bedke asked Chairman Brackett if the Committee could go at ease in order for he and the Chairman to have a discussion outside the Committee hearing room. **Chairman Brackett** called the meeting at ease at 9:04 a.m.

Chairman Brackett reconvened the Committee meeting at 9:06 a.m. and invited Representative Monks to take the podium to present **H 310**.

H 310: **Representative Monks** said that **H 310** is one of three bills sent over from the House to help with the shortfall in transportation funding needed to maintain Idaho's roads.

Representative Monks said that when he moved to Meridian 23 years ago the population was right around 9,000 people, today there are more than 80,000 people. He said there is lots of growth in lots of areas, and Idaho's transportation needs have increased with that growth. The State's fuel tax has not increased in the same proportion. From 1997 to today, fuel usage has increased 13 percent even though population has increased at a much higher rate during those 17 years. Vehicles have become more fuel efficient, and there has been an introduction of hybrids that utilize alternative fuel sources.

The fuel tax is a dying tax that will not get transportation funding to where it needs to be. Vehicle registration fees can be increased, but that can only go so far. **H 310** looks at other issues and means of raising transportation funding. Idaho's revenue receipts will see an increase of 5.5 percent. He believes it is appropriate to look at economic growth and revenue increase as a funding source. In the bill, changes to the Highway Distribution Account (HDA) occur on page 1, Section 1, Idaho Code § 40-701. The 5 percent that currently goes into the Law Enforcement Account is eliminated. That amount will now go to local jurisdictions. The Idaho State Police (ISP) would become fully, instead of partially, dependent on the General Fund for their funding. That amounts to an additional \$16 million from the General Fund to fulfill ISP's budget.

Page 2 of the bill, Idaho Code § 57-814, adds wording for distributing funds from the Budget Stabilization Fund (BSF). After comparing the current fiscal year with the prior fiscal year, if the receipts exceed 4 percent from the previous year then the excess funds go into the BSF. One-third of whatever amount goes into the BSF would now be directed to transportation; that amount is roughly \$30 million. If the receipts do not exceed 4 percent or more, then no funds go into the BSF or to transportation. **Representative Monks** offered to respond to questions.

Before taking questions, **Chairman Brackett** set some ground rules for the Committee. He explained that he wanted all their questions answered and time to hear all testimony, but the Committee needed to complete its business before the Senate convened at 10:30 a.m.

Senator Den Hartog wanted to know the history behind ISP being part of the distribution formula. **Representative Monks** said he wasn't certain about the full history, but he questioned the constitutionality of whether dedicated fuel tax should go to ISP. He said the Constitution was clear with regard to funding maintenance and repairs and there are some administrative use provisions. At one time ISP was responsible for licensing, but that is no longer the case.

Senator Buckner-Webb asked if this would destabilize the BSF, especially during a recession. **Representative Monks** said he didn't think so, but it depends on the economic times. ISP already gets \$25 million from the General Fund; when there was an economic downturn ISP was impacted as were all agencies that depend on the General Fund for its revenue. **Senator Buckner-Webb** asked if expanded growth continued would Idaho be able to maintain the level of need. **Representative Monks** responded, absolutely. If Idaho's population grows so will its economy. The budget numbers in growth of revenue increases are significant which will continue as long as Idaho grows. Only growth over 4 percent is what **H 310** takes from the BSF.

Senator Keough said her concern was the BSF as she has had to attend mid-year holdbacks because of a dip in the economy. If there had not been money in the BSF, Idaho would have had a devastating result. The BSF helps ride out these fluctuations in the economy. Even though cuts were made, Idaho was able to use BSF revenue. These funds are for a budget growth limitation situation rather than for helping just one segment of the budget. **Representative Monks** agreed that the BSF helped ride out the economic storm. He expects that the BSF will continue to grow the same way. The General Fund question is that transportation should not compete for education and health and welfare dollars. He said that the percentage of the General Fund that funds education is big when compared to other states; Idaho does a good job. Every tax dollar taken from Idahoans competes with their meeting their own personal needs. It is appropriate that the dollars compete whether during economic growth or in an economic downturn. Those decisions will be made no matter what the situation. **Senator Keough** said her specific concern is with moving ISP's full budget into the General Fund. Education is required in Idaho's Constitution and the Legislature must comply. Mandates with Health and Welfare are required. The result of ISP's budget shortfall could hamper Idaho's ability to provide critical services. She wanted to know why this was a better way to go than the traditional way of increasing user fees. **Representative Monks** responded with two points: (1) he said that the proportion does not change because this is additional money from growth funds over 4 percent; and (2) earmarking where those additional funds go is appropriate.

Senator Lacey said he was also concerned about the BSF. He used Representative Monks' example of a 5 percent growth rate yielding \$30 million for transportation. Then there would be \$16 million out for ISP, another \$10 million for another program, and soon there is a much bigger hit. He said there are many agencies that are not yet back to 2009 budget levels. He asked if he was correct that there would be a \$26 million hit. **Representative Monks** said that once the ISP \$16 million is taken out, it is a onetime hit. Idaho's growth after that should cover the cost. **Senator Lacey** asked if the \$16 million wasn't an ongoing hit. **Representative Monks** said it was, but it would be a smaller percentage as Idaho's growth continues.

Senator Winder made a statement that people want to deal with the merits of the bill, but many are ready to go home. So some are saying it is a "hold your nose and vote for it" situation. The Senate sent **S 312aaS** to the House yesterday, and it was rejected. This bill could provide critical transportation funding. The Speaker of the House came into this Committee and asked for a few minutes with Chairman Brackett; what that means is uncertain.

For clarification, **Chairman Brackett** said that he had walked the Speaker through the Senate amendments to **H 312aaS**.

Representative Monks said he wished he knew the lay of the land. **H 310** is part of a package, and he can't speak to the merits of the rest of the package. He thinks **H 310** has merits and is appropriate. There were many bills in the House that were big package legislation, but they did not get very far. So, instead, they broke apart some of the concepts into separate bills thinking they were easier to understand and present. He said the Senate may know better. **Senator Winder** said that the scheme in **H 310** of transferring funds and the change in ISP's funding were ingenious ways of dealing with things from the past. A third of those funds will impact the future, and the Legislature has a chance to make adjustments later. If the Senate passes **H 310**, will it help those in the House who want to keep more in the General Fund?

Chairman Brackett reminded Senator Winder that if the Senate passes **H 310**, the House does not get another chance to change it; it goes directly to the Governor.

Representative Monks said he was not sure what the strategic impact would be. He looks at each bill on its merits.

Senator Nonini asked Representative Monks to share why there was such a close vote on **H 310** in the House.

Representative Monks said that a handful of those who voted against it would now support it. They just needed more time to understand what the bill does. He really didn't know why the vote was as it was. He did say that there are so many ideas on transportation funding that it's tough to get many members to get behind a bill. There were no further questions for Representative Monks.

Chairman Brackett thanked Representative Monks for his presentation and discussion. **Chairman Brackett** noted that no one had signed up to testify, but he asked if there were any who would now like to do so; there were none.

Chairman Brackett asked Representative Monks to offer any closing remarks. **Representative Monks** simply said that **H 310** was a good bill and it should be passed.

MOTION:

Senator Den Hartog moved to send **H 310** to the floor with a **do pass** recommendation. **Senator Hagedorn** seconded the motion.

Chairman Brackett asked if there was any discussion on the motion.

Senator Winder commented that the Committee had passed **H 311**, but the Senate body did not accept the bill. Despite what had been said, the Committee was not disrespectful to House Leadership. He wanted to apologize that the action was misconstrued as it was not the Committee's intent. This bill, **H 310**, is an up-or-down vote, and the Committee wanted to give it a full hearing. **Senator Winder** thanked Representative Monks for his presentation.

Senator Hagedorn said that **H 310** was more about dedicated funds for roads and the General Fund. One grows and the other doesn't. This bill is a creative solution of taking from the growing fund and placing it in the road fund. The General Fund may have fewer funds, but there will be \$10 million for bridges and roads. Half of Idaho road funding comes from the federal government, and most states also commit their general funds to their highways because federal funds are declining.

Senator Winder said that he supports the motion because he understands the commitment to education from the General Fund, but he can see the nexus. The safer we make our roads, the safer our citizens are; that includes school children riding their school buses to their school. It is worth considering.

Senator Keough said she would not support the motion, but she appreciates Representative Monks engaging in the situation in such a productive way. She has even come to support ISP's full budget coming from the General Fund, but the problem is the BSF. It is hard to come back in the middle of a budget year, which happened in 2003, to make cuts. It is hard to hear from parents whose children got in trouble, are incarcerated and need programs that have been cut from the prison budget. It is hard to hear about college-aged students that have to spend a couple more years in college because funding has been cut. She said that the traditional funding of roads, like fuel tax increases, should be discussed. Other options should be discussed, but she cannot support **H 310**.

Senator Lacey said that he too has gotten past the ISP budget, but he too sees the problem as the BSF language.

SUBSTITUTE MOTION:

Senator Lacey moved to hold **H 310** in Committee. **Senator Keough** seconded the motion. **Chairman Brackett** called for a roll call vote. **Senators Keough, Buckner-Webb and Lacey** voted aye. **Chairman Brackett, Vice Chairman Nonini, Senators Winder, Hagedorn, Vick and Den Hartog** voted nay. The motion failed.

VOTE ON ORIGINAL MOTION:

Chairman Brackett called for a roll call vote on the original motion. **Chairman Brackett, Vice Chairman Nonini, Senators Winder, Hagedorn, Vick and Den Hartog** voted aye. **Senators Keough, Buckner-Webb and Lacey** voted nay. The motion passed. **Senator Den Hartog** offered to carry the bill on the floor.

ADJOURNED:

With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 9:48 a.m.

Senator Brackett
Chair

Gaye Bennett
Secretary