

MINUTES  
**SENATE TRANSPORTATION COMMITTEE**

**DATE:** Thursday, March 14, 2024

**TIME:** 1:00 P.M.

**PLACE:** Room WW53

**MEMBERS PRESENT:** Chairman Okuniewicz, Vice Chairman Den Hartog, Senators Hart, Carlson, Toews, Trakel, Rabe, Just

**ABSENT/  
EXCUSED:** Senator Winder

**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 Okuniewicz** called the meeting of the Senate Transportation Committee (Committee) to order at 1:00 p.m.

**H 638aa** **STRATEGIC INITIATIVES GRANT PROGRAM - Amends existing law to revise provisions regarding the Strategic Initiatives Grant Program.** **Vice Chair Den Hartog** stated this legislation proposed to change the administration of the Strategic Initiatives Grant Program which distributed funds to local highway districts and governments for projects under the management of the Idaho Transportation Department (ITD). The legislation aimed to transfer this responsibility to the Local Highway Technical Assistance Council (LHTAC). **Vice Chair Den Hartog** also stated **H 638aa** proposed for large urban areas to provide a 20 percent match for any funds received from the program which would ensure that the allocated funds could be utilized more effectively between the large urban and the small rural areas.

**MOTION:** **Senator Toews** moved to send **H 638aa** to the floor with a **do pass** recommendation. **Senator Trakel** seconded the motion. The motion carried by **voice vote**.

**PASSED THE GAVEL:** Chairman Okuniewicz passed the gavel to Vice Chair Den Hartog.

**H 689** **DEALERS AND SALESMEN LICENSING - Amends and adds to existing law to revise provisions regarding unlawful acts by manufacturers or distributors and to provide for affiliates and entities.** **Chairman Okuniewicz** stated **H 689** was a consensus legislation that balanced the relationship between auto dealers and manufacturers in Idaho and focused on amending the existing motor vehicle code in the State, specifically with franchise dealers and their manufacturer counterparts. **Chairman Okuniewicz** turned time over to Jim Addis for further clarification of the proposed legislation.

**TESTIMONY:** **Jim Addis**, executive director, Idaho Auto Dealer Association, spoke in favor of **H 689**. **Mr. Addis** stated **H 689** aimed to update existing long-standing Idaho code to maintain competitive markets in response to rapid technological and market changes. The update clarified roles for both Idaho franchise dealers and manufacturer partners and ensured fair treatment. **Mr. Addis** also stated the consensus language was agreed upon by manufacturer partners to strengthen relationships and upheld the history of free markets that would benefit Idaho consumers in vehicle purchasing and financing.

**DISCUSSION:** **Senator Just** asked how this legislation would impact manufacturers who didn't have a dealer presence in Idaho. **Mr. Addis** stated **H 689** language specifically targeted franchise dealers in Idaho and manufacturers operating under a franchise system. **Mr. Addis** stated the provision had no impact on other entities.

**Senator Rabe** expressed concern that this legislation would reduce competition and potentially raise prices for Idaho consumers. **Mr. Addis** stated this legislation would ensure there was free market competition by making a manufacturer enable to compete with its franchisee.

**Senator Toews** asked what if a manufacturer had a franchise partner and that partner wanted to change their business model, would that be possible. **Mr. Addis** stated the language in the Idaho code it would prohibit manufacturers from utilizing a subsidiary or affiliated company.

**MOTION:** **Senator Rabe** moved to send **H 689** to the floor with a **do pass** recommendation. **Senator Just** seconded the motion. The motion carried by **voice vote**.

**PASSED THE GAVEL:** Vice Chair Den Hartog passed the gavel back to Chairman Okuniewicz.

**MINUTES APPROVAL:** **Senator Trakel** moved to approve the Minutes of March 12, 2024. **Vice Chair Den Hartog** seconded the motion. The motion passed by **voice vote**.

**ADJOURNED:** There being no further business at this time, Chairman Okuniewicz adjourned the meeting at 1:20 p.m.

---

Senator Okuniewicz  
Chair

---

Alicia Fowler-Rynearson  
Secretary