

House Transportation & Defense Committee

Minutes
2008



MINUTES

HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: January 10, 2008

TIME: 2:00 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Wills, Moyle, Nonini, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

**ABSENT/
EXCUSED:** Representatives Smith (24), Roberts, Bedke

GUESTS: Amy Smith, Vehicle Services Manager, Idaho Transportation Department (ITD); Ed Pemble, Driver Services Manager, ITD; Regina Phipps, Vehicle Size and Weight Specialist, ITD; Linda Emry, Management Assistant, Office of Budget, Policy and Intergovernmental Relations, ITD; Randy Nilson, Tax Policy Specialist, Idaho State Tax Commission (STC); Ted Spangler, Deputy Attorney General, STC.

See sign-in sheet for other guests.

Chairman Wood called the meeting to order at 2:05 p.m. She introduced the committee secretary, Darlene Reed.

Chairman Wood stated that following the first presentation on the agenda, the committee members will be asked if they wish to vote on the rule or review it and vote at the next meeting. **Representative Wills** asked for clarification on if the committee members will be voting on all of the items at once or one at a time. **Chairman Wood** stated that they will be asked to vote on one item at a time.

Chairman Wood introduced our page, Kelsei Moyle.

At this time **Chairman Wood** turned the meeting over to **Vice Chair Hart**.

**DOCKET #
35-0105-0701**

Ted Spangler, Legal Counsel for Idaho State Tax Commission presented the Tax Commission Pending Rules and gave some preliminary comments about the pending rules. He pointed out that in each instance, the changes did not originate from the Tax Commission, all changes are proposed to reflect changes made by Idaho State Statute and enacted by this committee last year.

Rule 105: This rule is to reflect HB249, enacted last year to change the motor fuels tax statute in response to certain tax deductions of fuel by Indian Tribes. This has been negotiated between the State of Idaho and the Indian Tribes. This also addresses the repeal of the Bad Debt Provision, which after 12/1/07 there is no longer a deduction for bad debt.

Rule 130: This rule corresponds with HB14 and reflects the change of taxes on fuel sold by Indian-owned retail outlets. This will be in accordance with agreements between the State of Idaho and Indian tribes.

MOTION:

Representative Wills asked if anyone was opposed to these rules and if no one was opposed, he would like to make a motion to adopt these rules.

Chairman Wood stated that she was contacted by someone on this just today and that her intention was not to vote on this today. **Vice Chair Hart** asked **Chairman Wood** what was the public notice time frame and **Chairman Wood** stated that it is a 24 hour notice and that time frame was met.

Representative Wills rescinded his motion.

DISCUSSION:

Representative Wills suggested that the committee move past this presentation and have Mr. Spangler back at a later date. **Ted Spangler** stated there are a few things in the rules that don't relate to HB240 and that he was not aware of any difficulties with this rule, but he would be happy to visit with anyone who has an issue and not use the committee's time.

Representative Mortimer asked if in reality the agreements between the State of Idaho and the Indian tribes do not affect the writing of rules, but the actual implementation of the rule and law itself. **Ted Spangler** stated that as he understands it, yes. The rules recognize that the agreement will govern and implement the taxation of fuel on reservations.

Representative Hagedorn stated that as a point of fact, it is important to understand the specific agreements before ratifying the rules and it may be premature to approve the rules before completely understanding the agreements. **Chairman Wood** restated that it is important for the committee to hear all of the rules available now that will be implemented, and have prior knowledge to what the department will do and how they will act depending on ratification of the agreements.

Vice Chair Hart ruled for the committee to hear testimony and take a break between each rule. Other docket items may be less complex and the committee may want to vote on those items today.

Vice Chair Hart asked Mr. Spangler about **Rule 130, Pg. 8**, if this a finalized agreement or something to come later. **Ted Spangler** said that his understanding is the state statute says there is an exemption for motor fuels tax sold on reservations, to the extent that it's reflected in an agreement signed by the Indian tribes and the State of Idaho prior to December 1, 2007. As of now, the Tax Commission pursuant to the state statute, is recognizing that exemption. The rule as it currently is written, doesn't recognize the exemption. He further stated that if there is an agreement, it governs.

Representative King asked when will they be able to see the agreement. **Representative Moyle** said that he spoke to Governor Otter this

morning, but it is not known when it will be available. **Chairman Wood** thought if any committee member asked for it, they would be able to get a copy.

Rule 140: Ted Spangler stated that again this rule is in response to HB249. **Representative Hagedorn** asked Mr. Spangler to explain in layman's terms the bad debt writeoff. **Ted Spangler** said that prior to HB 249, the provision said if a distributor sold fuel to his customer (retailer) on credit and the retailer failed to pay, it then becomes bad debt and the distributor was required to write it off. The portion of bad debt that reflected fuels tax distribution the distributor was not able to recover could be written off as a deduction. This bad debt credit cannot be claimed after December 1, 2007.

Rule 160: This rule addresses the legal application of the tax on the distributor. It changes the verbiage from "collection" to "payment."

Rule 180: This rule pertains to refunds to licensed fuel distributors and is a result of the passage of HB249A.

Rule 270: This rule reflects HB249 and refunds to consumers.

Rule 292: This rule is regarding refunds on special fuels.

Rule 510: - **Ted Spangler** said this deals with the definition of biodiesel and the petroleum transfer fee (one cent [\$0.01] to the Clean Water Trust Fund) due to HB14 changes from last year. HB14 changes the thresholds in the trust fund with the intent of retriggering the transfer fee.

Chairman Wood asked about Mr. Spangler the extent to which fuel is subjected to state versus tribal tax. **Ted Spangler** said the tax is addressed separately. There is a different percentage for how diesel fuel is treated as subject to state tax (Indian tribe has agreed the tax may apply.) If an IFTA registered trucker buys fuel at an Indian retail outlet, they can treat it as an Idaho tax paid fuel and take credit on their IFTA return. If the Indian tribe is imposing its tax on that diesel fuel, then it is not considered Idaho fuel and the trucker cannot take a tax paid credit on that tribe's reservation. This differs from tribe to tribe.

Chairman Wood asked if this rule subjects an individual using fuel on their own property to state tax and the transfer fee. **Ted Spangler** stated if the fuel is used on the road it is subject to the fuel use tax, but not necessarily the transfer fee.

Representative King asked about evaporation collection and whether it is a Treasure Valley issue. **Ted Spangler** said there is a certain amount of natural loss of fuel in the distributor's experience. Evaporation and shrinkage, which occurs with the difference between the temperature in the tank on the truck versus the temperature of the tank in the ground. The two percent (2%) discount is intended to reflect the loss of fuel caused by evaporation and shrinkage.

Vice Chair Hart asked if anyone else wished to testify. There being

DOCKET #
35-0260-0702

none, the committee moved forward on the agenda.

Rule 170: This amendment is to be consistent with HB292A and reflects the federal regulations on allowable sulfur content in the industry.

Rule 250: This reflects the ruling from the Idaho Supreme Court with regards to refund claims. **Ted Spangler** stated there are two parts to a refund claim. The party claiming the refund has to: 1) Establish a legal basis why the refund is due; and 2) Establish the amount of the refund.

MOTION:

Rule 501: **Ted Spangler** stated this rule is being amended to be consistent with HB99, which re-triggered the transfer fee.

Representative Wills stated that not seeing any objections, made a motion that these rules be approved by the committee. After some discussion, **Vice Chair Hart** determined the committee should wait to vote, to allow public testimony.

Representative Wills withdrew his motion.

Representative Wills asked if all the rules concerned the Indian tribes and if so, should the committee continue to hear any of the rules, make any motions today or place them on hold. **Vice Chair Hart** said the committee will hold on the first two Docket Numbers and the committee can proceed with the rest.

DOCKET #
39-0260-0701

Amy Smith, Vehicle Services Manager, ITD stated that with the implementation of the digital license plate program, which increased the volume of license plates, it also increased the need for storage capacity. This rule also provides for the extension of a temporary registration for forty-five (45) days, and allows licensed vehicle dealers to use loaner plates for special events for thirty (30) days.

Chairman Wood asked if everyone was familiar with the digital license plate process and that the information is now screened onto the metal plate, not embossed in the metal plate. **Amy Smith** further elaborated stating the prior method was referred to as the "clang and bang" method. Now the method used is to print graphics, numbers and letters onto graphic sheeting and then baked onto the plate. This is much faster and production is higher.

Chairman Wood asked how easy it would be to make a fake license plate. **Amy Smith** stated they have been assured fraudulent license plates could not easily be made. There was discussion about the number of specialty license plates and **Amy Smith** stated that Idaho has over two hundred (200) types of license plates.

Representative Hagedorn asked if the digital produced license plates have a longer life cycle. **Amy Smith** said the license plates still have same seven (7) year life cycle. **Representative Hagedorn** asked if the material is going to last longer than seven (7) years. **Amy Smith** stated the supplier is not willing to do that. **Representative Moyle** asked if the life cycle is seven (7) years because of the supplier. **Amy Smith** said it is because the supplier will not guarantee reflectivity for more than

seventy-five (75) feet beyond that time frame. Ms. Smith was asked if there was any other supplier who can guarantee this required reflectivity for ten (10) years or more and if any other states have a longer guarantee life cycle than seven (7) years. **Amy Smith** said there are few suppliers in the license plate industry and she couldn't answer regarding other states' rules for time placement. **Representative Moyle** asked Ms. Smith if she could find out if states that use 3M as their supplier, have a guarantee of longer than five (5) to six (6) years reflectivity for their license plates. **Amy Smith** said she would check into that.

MOTION:

Representative King made a motion to approve **Docket # 39-0260-0701**. Vice Chair Hart asked if there was any discussion. There being none, the committee voted. The **motion passed** by voice vote.

**DOCKET #
39-0275-0701**

Ed Pemble, Drivers Services Manager, ITD reported that the two (2) changes being proposed give more flexibility for names on driver's licenses and identification cards. It will allow apostrophes in names and married couples to use the same hyphenated last name.

MOTION:

Representative King made a motion to approve **Docket # 39-0275-0701**. The **motion passed** by voice vote.

**DOCKET #
39-0308-0701**

Regina Phipps, Vehicle Size and Weight Specialist, ITD reported that this rule repeals the administrative code, in compliance with Idaho Code.

MOTION:

Chairman Wood said that she noticed all of the rules contained the same language in the Fiscal Impact statement and asked if this was boiler plate language? **Ed Howell** said Governor Otter wants that verbiage in there, so the Administration Department puts it in there.

**DOCKET #
39-0310-0701**

Representative King made a motion to approve **Docket #39-0308-0701**. The **motion passed** by voice vote.

Regina Phipps said this deals with when an overlegal permit is required and combines the permitting of emergency moves and secondary movement for tow trucks moving disabled vehicles. It also allows flexibility in the weight limits they can be under. They use ITD Route Capacity Maps, which show highways and the color coded weight limits assigned. The maps are attached to the permits. **Vice Chair Hart** asked if this is annual permit and Ms. Phipps stated that it is an annual permit.

MOTION:

**DOCKET #
39-0312-0701**

Representative Hagedorn made a motion to approve **Docket # 39-0310-0701**. The **motion passed** by voice vote.

Regina Phipps stated this clarifies that oversized load signs on towed vehicles are to be placed on front of the towed vehicle or on top of the cab of the unit. Pilot cars signs are to be on top of the vehicle, not on the front or rear bumper of the vehicle.

MOTION:

**DOCKET #
39-0316-0701**

Representative King made a motion to approve **Docket # 39-0312-0701**. The **motion passed** by voice vote.

MOTION:

Regina Phipps said this rule deals with oversize loads and clarifies the

**DOCKET #
39-0317-0701**

configuration for what a double trailer may haul. It is to not exceed seventy-five (75) feet, bumper to bumper.

Representative Hagedorn made a motion to approve **Docket # 39-0316-0701**. The **motion passed** by voice vote.

MOTION:

Regina Phipps said this deals with towing a manufactured home and allows for less restrictive options for connection devices. Most carriers have ball hitch configuration and this allows for further options, as long as it meets the requirements of the Federal Safety Regulations.

Representative Hagedorn made a motion to approve **Docket # 39-0317-0701**. The **motion passed** by voice vote.

ADJOURN:

Chairman Wood said the committee will meet Monday, January 14, 2008. If any information is received on the agreement between the State of Idaho and Indian Tribes, she will try to contact each committee member with it before moving forward on the other rules.

There being no other business before the committee, **Vice Chair Hart** adjourned the meeting at 3:10 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary

MINUTES

HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: January 14, 2008

TIME: 1:30 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Roberts, Bedke, Wills, Moyle, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

**ABSENT/
EXCUSED:** Representative Nonini

GUESTS: See attached sign-in sheet and highlighted presenters below.

**CALL TO
ORDER:** Chairman Wood called the meeting to order at 1:31 p.m.

**APPROVAL OF
MINUTES:** **Representative Wills** made a motion to approve the minutes of January 10, 2008 as written. **Motion approved** by voice vote.

RS17351: **EXPANSION OF DRIVERS LICENSE RECIPROCITY FOR INDIVIDUALS UNDER 17 WHO HAVE COMPLETED DRIVERS EDUCATION IN ANOTHER JURISDICTION; DESTRUCTION OF SURRENDERED LICENSES; CLEAN-UP OUTDATED LANGUAGE FOR MOTORCYCLE REQUIREMENTS; REINSTATEMENT REQUIREMENTS FOR TITLE 18 BASED REVOCATIONS AND DISQUALIFICATIONS:** **Ed Pemble**, Drivers Services Manger, Idaho Transportation Department presented RS #17351 and reported that currently individuals who have completed drivers education in another state, may have to take the course again in Idaho. This proposed legislation will also improve the efficiency of handling licenses surrendered to the department. The dates concerning the motorcycle endorsement have long since passed and this will clean-up that language. **Representative Smith(24)** asked about the application for duplicate license on page 3, line 42. Mr. Pemble stated that once an individual has been reinstated at the end of their suspension period, they can apply for a duplicate drivers license. Many times when an individual is applying for a duplicate license, they are eligible for renewal. This will be a benefit, especially for those who live outside of the Boise area.

Representative Wills asked about the reciprocity portion of the proposed legislation with regards to another country. When residents of another state have taken drivers education and them move to Idaho, that is not a major concern, but aside from those states what about another country. Ed Pemble said they don't run across this very much and most foreign restrictions are tougher than ours. Discussion followed regarding concerns about the capability to obtain diplomas without actually taking the required courses. **Representative Wills** said that other countries may have totally different requirements in their drivers education courses

than the United States and is concerned this will allow individuals to obtain drivers licenses who may not actually be able to meet our required criteria. Ed Pemble suggested coming back with an amended version, to include language that says United States jurisdiction. **Representative Hart** stated he is in support of Representative Wills' comments and feels this should be addressed and taken care of now.

Representative Moyle questioned Mr. Pemble about the requirement to have to take a motorcycle skills test before receiving the motorcycle endorsement. **Ed Pemble** stated that those who had a motorcycle license prior to 1994 had until September 1, 1998 to go to the Department and receive the "M" endorsement without taking the tests. If they did not do this and anyone applying now for the "M" endorsement must take the required tests.

MOTION: **Representative Ringo** made a motion to introduce **RS17351** to print, with the change of inserting "United States" prior to "jurisdiction" on page 2, lines 27 and 28. **Motion passed** by voice vote.

RS17344

AMEND SIEC AUTHORIZING LANGUAGE IN IDAHO CODE TITLE 46, CHAPTER 12: **Lt. Col. David Dahle** stated this is an administrative change to Idaho Code Title 46, as it pertains to the Statewide Interoperability Executive Council (SIEC) created two (2) years ago by state statute. Originally it was created to be administered by the Idaho Bureau of Homeland Security, however they actually work in the military so are making the changes to bring it back under the Military Division. There was a built-in statutory sunset clause of December 31, 2012, however they don't think will have achieved the capability by then, so want to repeal this provision so they can continue until it is no longer needed. Representative Roberts questioned if it was correct that no title was listed on page 3, lines 7 and 8 and if asking to repeal that section too. **Col. Dahle** stated this is the provision that was decided to give them to repeal the sunset clause of 2012 and this can be handled with a correction. **Representative Moyle** questioned instead of repealing all of the sunset why didn't they move the date out. He is concerned if the sunset clause is repealed, it will never come back to be looked at again. Col. Dahle stated he was not aware of why the sunset clause was in there. **Representative Moyle** asked why and what benefit there is to repeal it now; why not come back in four (4) years and explain it again. Representative Moyle stated the need to explain the acronym (SIEC) for those reading this. **Col. Dahle** stated this is a process not an end objective and they will never have a date when they are fully interoperable. As technology evolves over time and the capacity to engage in these efforts will constantly be changing with the players at all levels. **Representative Moyle** said that he agrees there will always be changes, but likes the sunset clause so there is a report and hear what they are doing. **Col. Dahle** said they are required to make an annual report. **Representative King** said that in the Statement of Purpose (SOP) no money was attached to this and asked if there was the need for a lump sum for a few years to get started? **Col. Dahle** stated that he was not a participant in original statute so he has no idea. **Representative Hagedorn** said that in October he was appointed to be member of the Executive Council by Governor Otter, so he is up to date on this. He

stated that it is a very technical ongoing process that will go on for years and not be finished as long as we have evolution of technology. This council was designed to be sure that all members continue to communicate with each other.

MOTION: **Representative Smith** made a motion to introduce **RS17344** to print with the amendment for the right citation to be referenced on page 3, line 7.

SUBSTITUTE MOTION: **Representative Moyle** made a substitute motion to introduce **RS17344** to print, with the change of striking lines 7 and 8 on page 3. This would keep the sunset clause and make them come back later to report. He would also like the definition of SIEC and its purpose. **Representative Hart** stated that he supports substitute motion to keep the sunset clause. The **substitute motion passed** by voice vote.

RS17358

AUTHORIZATION TO PROMULGATE ADMINISTRATIVE RULES UNDER THE APA: **Col. Dahle** reported that currently there is no way to go through process of promulgating, implementing or enforcing rules. This legislation will allow the military division the ability to engage in rule making. **Representative Wills** noted that "none" was noted under the Fiscal Note and questioned if there were costs, who would be responsible for them. **Col. Dahle** stated any costs would be minuscule and be born out of the military division.

MOTION: **Representative Wills** made a motion to introduce **RS17358** to print.

Representative Ruchti asked what rights and access military members would have to participate in the rule making process, as the military operates differently than the civilian population. **Col. Dahle** said that once the rule making is established, it would be published on the military division web site. **Representative Hagedorn** asked for clarification for when the Idaho National Guard falls under the Universal Code of Military Justice (UCMJ). **Col. Dahle** said the Idaho National Guard remains under the Governor and are disciplined by the Idaho Code of Military Justice, which is not as robust as the UCMJ, until they are federalized at which time they fall under the UCMJ.

Representative Ringo expressed she is not familiar with military procedures, but has some discomfort with how the military may proceed in this process. There is usually a collaborative effort in proposing rules and she is concerned this may not happen in the military, especially if some military members disagree and they may not be comfortable providing that input during a hearing. **Col. Dahle** said they want to find a course allowing them to contemplate rule making in select circumstances, and that there is no pre-formed agenda. **Chairman Wood** asked would not any proposed rules have to come before this committee? **Col. Dahle** said that is his understanding. **Chairman Wood** stated that the Governor is the Commander in Chief of the Idaho National Guard, so it falls under the governor's office as an agency-type rule making and believes it would have to come through this committee, which is open to the public as well, which would safeguard them from retaliation. **Col. Dahle** said that is correct. **Representative Hart** and **Representative Ruchti** each said they share some of the same concerns in that military members may think

that it would cause them problems if they expressed disagreement during the process. **Chairman Wood** said that they could always go a legislator and the legislator can work on the situation without any concern to that individual. **Representative Hagedorn** stated that this is one of the few departments in state government that doesn't fall under the rule making oversight and that this is a great step forward.

The **motion** was **passed** by voice vote.

RS17421

CORRECTIONS IN TITLE 46: Col. Dahle said that this legislation deals with matters pertaining to the military division on some provisions not touched on by legislation and that are badly out of date. It cleans up some outdated language. **Representative Mortimer** observed that this deals with multiple sections that aren't outlined in detail. Col. Dahle was requested to provide to the committee a brief description of each section and what each pertains to and he stated that he would provide that information to the committee

MOTION:

Representative Smith made a motion to introduce **RS17421** to print. The motion was **passed** by voice vote.

Chairman Wood stated that the committee will meet on Wednesday, January 16, 2008 and will determine at a later time whether to have a meeting on Friday, January 18, 2008.

ADJOURN:

There being no other business before the committee, **Chairman Wood** adjourned the meeting at 2:27 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary

MINUTES

HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: January 16, 2008

TIME: 1:30 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Roberts, Bedke, Wills, Moyle, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

**ABSENT/
EXCUSED:** Representative Nonini

GUESTS: See attached sign-in sheet and highlighted presenters below.

**CALL TO
ORDER:** **Chairman Wood** called the meeting to order at 1:30 p.m.

**APPROVAL OF
MINUTES** **Representative Ringo** made a motion to approve the minutes of January 14, 2008 as written. **Motion approved** by voice vote.

Chairman Wood announced that Representative Nonini has a conflicting meeting and is excused from the meeting and that the Leadership is excused to come and go as needed.

Chairman Wood informed the committee that she has received telephone calls from representatives of various groups expressing concerns that the committee is coming "in the back door" to do things regarding ATV's that they don't agree with. She asked that everyone keep an open mind and let the Idaho Transportation Department (ITD) make their presentation.

RS17338 **AMEND LICENSE PLATE FEES ASSESSED UNDER IDAHO CODE 49-450.** Amy Smith, Idaho Transportation Department (ITD), reported this RS will increase the license plate fee from \$3.00 to \$4.00. The cost of manufacturing license plates has continued to increase, especially with the rise in aluminum prices, and the fees have not kept pace. The last time there was an increase was in 1992, from \$2.50 to \$3.00, which allowed for \$0.50 of the license plate fee to go to the Heritage Trust Fund for use of the copyright design provided for in the Idaho Code.

MOTION: **Representative Smith (24)** made a motion to introduce **RS17338** to print.

Representative Smith (24) asked if the \$0.50 fee is off of every license plate or just those with red, white and blue background. **Amy Smith** stated that it is for each plate that utilizes the red, white and blue background. **Representative Ringo** asked about the Fiscal Note and if the potential increase of fees will be eaten up over time. **Amy Smith** said

that the first potential increase of \$256,000.00 will go towards the manufacturing costs of license plates and should sustain further increases if aluminum costs increase over the next few years.

Representative Mortimer asked what the manufacturing costs are today and how much are they in the hole right now. **Amy Smith** stated they are losing \$0.18 per plate. **Representative Mortimer** asked Ms. Smith if she had an idea of what the total amount is. **Amy Smith** reported they produce 800,000 license plates annually so it would be that figure times \$0.18 which calculated to \$144,000.00. **Representative Mortimer** asked Ms. Smith's best guess at what percentage of the potential increase would go towards the overhead of department administrative costs. **Amy Smith** said the fees collected are strictly for the manufacturing and handling of license plates. These are costs from Corrections Industries for their labor, costs for special envelopes to ship license plates to the customer, and license plate shipping costs to those Idaho counties who maintain plates. **Representative Hagedorn** asked if we have a contractual agreement with Correctional Industries and if there is a set figure for them to produce the license plates. **Amy Smith** said there is a contract that establishes the cost per standard license plate; a cost per specialty plates; and costs for the shipping and handling of the license plates. **Representative Hagedorn** asked if all plates were using the red, white and blue background, would we then be \$0.18 in the hole per license plate? It was noted that because of the specialized plates that affects that number so the amount in the hole would probably be less than the \$144,000 figure. It was asked why did we set the increase at \$1.00 versus \$0.25 or another amount? **Amy Smith** said the contract with Correction Industries is set on a sliding scale, so that if aluminum prices go up, Correction Industries can charge more. The department didn't want to come back every year or so and ask for an increase of \$0.25 or \$0.50. **Representative Mortimer** asked if looking at the department's hard costs and soft costs, would it be true the department would be taking money out of the highway department to subsidize the license plate account. **Amy Smith** stated administrative costs don't come out of the license plate account, however, if the license plate account does not have enough money to cover their costs, the state highway department has to come up with the money to cover those costs.

Motion approved by voice vote.

RS17357

SALVAGE VEHICLE PROCESS; BRANDED DECALS FOR SALVAGE VEHICLES; SALVAGE TITLE FEES. **Amy Smith**, ITD reported that currently there is a two (2) step process in dealing with salvage vehicles. This RS establishes a consistent process that eliminates the confusion on which vehicle fits into which one of the current categories and implements a uniform \$15.00 salvage vehicle certificate fee for all salvage vehicles.

MOTION: **Representative Wills** made a motion to introduce RS17357 to print. **Motion approved** by voice vote.

RS17359C1 **INCORPORATION OF THE “FEDERAL MOTOR VEHICLE SAFETY STANDARDS” INTO IDAHO’S VEHICLE REGISTRATION CODE.** **Amy Smith**, ITD said this RS deals with the need to incorporate the “federal motor vehicle safety standards” into Idaho’s vehicle registration code and defines which vehicles are allowed to operate on Idaho roads. The manufacturers must certify the vehicles they build and sell comply with the applicable safety standards and it will prevent the registration of unsafe vehicles or for those vehicles that do not or cannot meet safety standards. **Chairman Wood** asked Ms. Smith to refresh the committee about page 6, line 11 as to why mopeds are not required to be titled and if it was because they are not allowed to be on state highways. **Amy Smith** said that is correct, as mopeds typically cannot go very fast. **Representative Hart** stated that he has heard from his constituents that they are worried this RS affects ATV’s and asked Ms. Smith to please elaborate on why she said it does not. **Amy Smith** said any reference to ATV’s and their registration has been left intact and left alone. **Representative Hart** asked what was the purpose of the added language on page 12, lines 6-8. **Amy Smith** said the department has been encountering almost “kiddie- type” ATV’s, some of which are battery operated. The department needed a cut-off level, so it was determined that if a vehicle was smaller than this, then they would not need to be titled. **Representative Hagedorn** asked if this addresses the definition of a public road? **Amy Smith** said this RS does not have a change in that definition, and it is defined according to Idaho Code as noted on page 11, subsection 8, line 46. **Representative Ringo** asked Ms. Smith for clarification on replica vehicles and whether they have to meet the same standards to drive on public roads. **Amy Smith** stated they require that the builder certify that the replica vehicle meets the safety standards that were in place at the time the original vehicle was manufactured.

Representative Smith (24) made a motion to introduce **RS17359C1** to print. **Motion approved** by voice vote.

RS17352C1 **EXPIRATION DATE ON A DRIVER’S LICENSE OR IDENTIFICATION CARD BEYOND EXPIRATION DATE OF ALIEN DOCUMENTATION; ISSUANCE OF FOUR OR EIGHT YEAR IDAHO DRIVER’S LICENSE OR IDENTIFICATION CARD FOR INDIVIDUALS WHOSE LEGAL PRESENCE IN THE UNITED STATES IS ABOUT TO EXPIRE; LIMIT VALIDITY OF A DRIVER’S LICENSE OR IDENTIFICATION CARD WHEN ALIEN DOCUMENTATION ISSUED BY THE UNITED STATES HAS NO EXPIRATION DATE.** Lynn Rhodes, Drivers License Programs Advisor in Drivers Services, ITD briefly reviewed the purpose of the RS, noting that it prevents the expiration date on a drivers license or identification card to extend beyond the lawful presence of an alien in the United States and limits the validity of a drivers license or identification card to one (1) year when alien documentation does not state an expiration date. **Chairman Wood** asked if the gist of the RS is stated on page 7. Lynn Rhodes said yes and added that very similar language is reflected on page 10, subsection 3.

MOTION: **Representative Wills** made a motion to introduce **RS17352C1** to print. **Motion approved** by voice vote.

Chairman Wood said that there will be a brief committee meeting on Friday immediately after the House adjourns, unless no meeting is announced on the floor. There is a Joint Meeting with the House Transportation Committee and the Senate Transportation Committee at 1:30 p.m. on Tuesday, January 22, 2008 in the basement of the State Supreme Court Building, and our committee will meet immediately afterwards. The Idaho Transportation Department will be making a presentation at the joint meeting on their budget and the issues their department is facing this year.

ADJOURN: There being no other business before the committee, **Chairman Wood** adjourned the meeting at 2:03 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary

MINUTES

HOUSE and SENATE TRANSPORTATION COMMITTEES JOINT MEETING

DATE: Tuesday, January 22, 2008

TIME: 1:30 p.m.

PLACE: Idaho State Supreme Court Building, Basement Conference Room

MEMBERS PRESENT: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Roberts, Bedke, Wills, Moyle, Nonini, Mortimer, Hagedorn, Shepherd(2), and Ringo.

MEMBERS ABSENT/ EXCUSED: Representatives King and Ruchti

OTHERS IN ATTENDANCE: This was a joint meeting of the House Transportation and Defense Committee and the Senate Transportation Committee. Members attending from the Senate included **Chairman McGee, Vice Chairman Hammond, Senators Keough, Geddes, Little, Corder, Heinrich, Langhorst, and Malepeai**

The sign-in sheets and handouts will be retained in the House committee's office, Room 149, until the end of the 2007 legislative session, and then will be on file with the minutes in the Legislative Services Library.

CONVENED: The meeting convened at 1:31 p.m. to hear a presentation by the Idaho Transportation Department (ITD). **Chairman Wood** and **Chairman McGee** co-chaired the meeting. **Chairman McGee** introduced **Darrell Manning**, Chairman of the Idaho Transportation Board.

INTRODUCTION: Idaho Transportation Board **Chairman Manning** thanked both committees for the opportunity to make the presentation today. **Chairman Manning** said that collectively, the members of the Idaho Transportation Board have almost 64 years of service. **Mr. Manning** introduced **Pamela Lowe**, Director of the Idaho Transportation Department.

Ms. Lowe reviewed the Idaho Transportation Department's (ITD) Mission and Vision Statement and the proposed budget for fiscal year 2009 (FY09). The proposed budget for FY09 is \$681,776,600. **Ms. Lowe** stated that of their proposed legislation, only two (2) will have a fiscal impact: the increase for license plates fees; and the aviation fuel tax increase. Idaho is currently the 4th fastest growing state in the country. While Idaho's sales tax revenues and general funds have increased by 126% and 102% respectively; the distribution to ITD has increased by only 22%. Nationally and locally, fuel efficiency has improved, and while this is good, it also impacts revenue. The annual vehicle miles driven in Idaho has increased by 99% however the fuel and gasoline gallons taxed has not kept pace. The State's number of full time

employees (FTPs) has risen by 35%, while ITD's number of FTPs has increased only by 4.2%. In order to keep the budget request to a 5% increase, there are hold backs on personnel and equipment.

Steve Hutchinson, Chief Engineer and Division Administrator for the Division of Highways at the Idaho Transportation Department, reported a budget request of \$438 million. These funds will be used to maintain and operate the 12,000 lane-mile highway system; maintain and inspect the 1,791 bridges; provide and maintain 31 rest areas; and provide statewide education and assistance programs to improve driver behavior and prevent crashes. **Mr. Hutchinson** reported that Idaho has always met and passed their bridge inspections, but after the Minnesota bridge failure, 8 bridges were re-assessed.

Mr. Hutchinson reviewed the various efficiency measures undertaken: the 511 system that was implemented last year; changing the anti-icing product; utilizing "wing" snow plows; new snowplow blade pressure limiters; cross training employees; Incident Response trucks; partnerships; and utilizing innovative solutions, all of which help reduce costs. The department has a change in focus to control costs, maximize competition, seek innovation and design what's easy to build, not what's easy to design.

John DeThomas, Administrator of the Aeronautics Division, presented their budget request of \$2,930,900. **Mr. DeThomas** stated they rely on aviation fuel taxes for 80% of their revenue and thinks the aviation fuel tax is the fairest and simplest funding method. There are seven (7) primary airports and they were hold backs for the last two (2) years. They also provide grants for state-funded projects at twenty-eight (28) small community airports, maintain the state's system of thirty (30) airstrips and support Idaho's 2,500 pilots and 2,200 aircraft. Some of the efficiency measures they have taken are: reduce airstrip maintenance costs by \$5,500 annually by utilizing volunteers; share the Business Manager and Automated Systems Manager with another division; using advertising for the production of the Rudder Flutter; partnership with Rimrock High School to make windsocks and save \$19,000 annually for aviation fuel by purchasing through a competitive bulk contract. Since FY00 the take-offs and landings have decreased in the state by 10%, however the total passengers has only increased by 7%. They have deleted some programs to be more fiscally efficient such as reducing the herbicide, fertilizer and dust abatement for the state operated airstrips, the Idaho Aviation Festive and McCall Family Fly-in. **Mr. DeThomas** said the recommended funding method is the increase in aviation fuel tax of 1.5 cents per gallon. This would raise the jet fuel tax to 6 cents per gallon, the aviation gas tax to 7 cents per gallon and increase revenues by 14% annually. **Mr. DeThomas** reviewed the chart showing the jet fuel taxes in the surrounding states, with Washington being the highest with 11cents per gallon. Some proposed uses for the additional revenue would be grants to primary airports, grants to community airports and replenish supply stocks for Idaho airport equipment.

Alan Frew, Administrator for the Motor Vehicle Department presented their budget request of \$18,802,700. Mr. Frew stated that even though the workload for the department has increased, the number of employees has decreased over the past few years by 12%. To become more efficient they upgraded their computer system, with the availability of more services available online. This saves \$280,000 annually and avoided the need for more full time positions in the department. By converting to the digital license plate, they saved \$79,000.

Randy Kyrias, Administrator for the Public Transportation Department, reviewed the budget request for \$9,638,500. Public transportation is available to 75% of the state's 1.4 million residents. By partnering they have extended public transportation options in Kootenai County and by partnering with Wyoming, they have extended public transportation from Driggs to the Jackson area. They are coordinating statewide purchases of transportation vehicles and are requesting 119 new vehicles throughout the state.

Matt Moore, Administrator for the Transportation Planning and Programming Department reviewed the budget request of \$6,507,700. To be more efficient they have incorporated a wide variety of internet and interactive technology to reduce costs of travel, printing and distribution costs. They provide over 9,000 online maps and traffic reports are available to anyone 24/7. In updating digitized video logs their employees are able to view the entire state highway system from their desktops, saving travel time, operations and maintenance costs and also reduce the risk to their employees.

Dave Tolman, Administrator of the Division of Administration, presented the budget request of \$23,840,200 and reviewed the scope of their program, including providing administrative support for all six divisions, maintaining and enhancing the facilities throughout the state which includes 560 building and 201 yard storage sites. By transferring data to the State Controller's Office they have saved \$500,000; utilizing online time sheets they have saved \$40,000 annually. They are the first agency in the nation to implement electronic billing for federal safety funds.

Deputy Director **Scott Stokes** reviewed the accomplishments the department has achieved in construction and some of the projects that the budget request of \$134 million will buy including: the Ten Mile Interchange; Orchard interchange right-of-way and construction; Vista Interchange right-of-way; and the Topaz Bridge Construction. Mr. Stokes also reviewed the GARVEE Program with regards to bonding, contracts and payout.

At this point, Chairman McGee opened the meeting up to discussion and questions. **Chairman McGee** asked Director Lowe if they were sacrificing safety for cost savings. **Ms. Lowe** stated they are committed to savings on individual projects but will not sacrifice safety.

Rep. Bedke asked given the proposed 5% CEC for all employees and that revenues are flat, where will the funds come for the **increase?** **Ms. Lowe** said that the proposed 5% can be met as currently there are quite a large number of vacancies that haven't been filled and they've cut

equipment and supply requests.

Chairman Wood asked if the department inspected the bridges. **Mr. Tolman** stated that the inspections were done through management consultants with local agencies. She asked why do the state plow go down the highway with their blades lifted. **Mr. Tolman** said it depends, but if they had just added salt or sand to the road, they don't want to plow before it starts working on the road surface.

A question was asked about December takeoff and landing numbers. **Mr. DeThomas** said that airplanes are larger, more fuel efficient and burn less fuel, can carry more passengers and therefore have fewer landings.

Rep. Mortimer asked what changes are coming for cost savings in construction versus old under GARVEE. **Ms. Lowe** said that ITD is taking as much work as they possibly can.

Chairman Wood said that she had been told there was a \$6 million fine on early bids on GARVEE and asked why that happened. **Ms. Lowe** said that she was not aware of a \$6 million fine, or any fine, under GARVEE.

Rep. Hart asked Mr. Stokes if GARVEE projects were built more quickly than projects not using GARVEE funds. **Mr. Stokes** replied that typically they try to be ahead of schedule whether the project is funded with GARVEE or not.

ADJOURNED: Due to the late hour, **Chairman McGee** adjourned the meeting at 3:00 p.m.

Representative JoAn E. Wood
Chairman

Darlene Reed
Secretary

MINUTES
HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: January 22, 2008

TIME: Immediately following the Joint Meeting of the House Transportation and Defense Committee and the Senate Transportation Committee

PLACE: Basement Conference Room in the State Supreme Court Building

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Roberts, Bedke, Wills, Moyle, Nonini, Mortimer, Hagedorn, Shepherd (2), Ringo

**ABSENT/
EXCUSED:** Representatives King, Ruchti

GUESTS: See attached sign-in sheet and highlighted presenters below.

**CALL TO
ORDER:** Chairman Wood called the meeting to order at 3:05 p.m.

H 355 **SPECIAL CAPITOL LICENSE PLATES:** Jeff Youtz, Director of Legislative Services Office reported the special Capitol restoration license plates were created in 2001 to help fund the restoration of Idaho's Capitol and this legislation is asking to drop the sunset date of 2012. This bill does not create a new license plate; it allows individuals to continue to purchase the existing plates after the restoration of the Capitol is completed. Those funds will help pay for ongoing maintenance of the Capitol after the restoration. Mr. Youtz stated that initially the sales of these license plates generated \$6,000 to \$10,000 and currently the sales generates over \$80,000 annually and allows them to not have to compete for resources out of the permanent fund.

MOTION: Representative Ringo made a motion to send **H 355** to the floor with a "Do Pass" recommendation. **Motion approved** by voice vote.

H 0356 **EXPANSION OF DRIVERS LICENSE RECIPROCITY; DESTRUCTION OF SURRENDERED LICENSES; MOTORCYCLE REQUIREMENTS REINSTATEMENT REQUIREMENTS FOR TITLE 18.** Ed Pemble, ITD **Chairman Wood** said that she was just informed there will be a motion to hold and therefore would not ask Mr. Pemble to make his presentation.

MOTION: **Representative Moyle** stated he asked Mr. Pemble to provide more information to him and made a motion to **hold bill time certain** until the next meeting on Thursday, January 24, 2008 at 1:30 p.m. **Chairman Wood** asked for discussion or objections and there being none, **so ordered.**

ADJOURN: There being no further business before the committee, **Chairman Wood** adjourned the meeting at 3:13 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary

MINUTES

HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: January 24, 2008

TIME: 1:30 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Roberts, Bedke, Wills, Moyle, Nonini, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

**ABSENT/
EXCUSED:**

GUESTS: See attached sign-in sheet and highlighted presenters below.

**CALL TO
ORDER:** Chairman Wood called the meeting to order at 1:34 p.m.

**APPROVAL OF
MINUTES:** **Rep. Ringo** moved to approve the minutes of January 22, 2008 as corrected. **Motion approved** by voice vote.

Rep. Ringo moved to approve the minutes of January 16, 2008 as written. **Motion approved** by voice vote.

Chairman Wood read a letter she was handed from the Idaho Transportation Department (ITD) regarding the credit card fees paid by ITD. In fiscal year 2008 the total credit card fees associated with on-line applications and all other transactions was \$232,300. The department will now pass the credit card fees onto customers if the form of a "convenience fee."

Chairman Wood stated that she is changing the order of the agenda items and will move forward with some bills. She will go back to Mr. Babbitt's presentation, so that a representative from the Governor's office can be present for it.

H 356 **EXPANSION OF DRIVERS LICENSE RECIPROCITY; DESTRUCTION OF SURRENDERED LICENSES; MOTORCYCLE REQUIREMENTS REINSTATEMENT REQUIREMENTS FOR TITLE 18.** **Ed Pemble**, ITD reported the primary goal is efficiency for the department. The first proposed change expands drivers license reciprocity for those individuals under 17 who have completed drivers education in other jurisdictions. The change is "United States" jurisdiction and allows those who move to Idaho who have completed drivers education in another U.S. jurisdiction, to not have to retake drivers education here. **Chairman Wood** stated this was a clarification to reflect not only a state, but also U.S. jurisdictions, i.e. Guam.

Mr. Pemble reported the second change addresses the motorcycle endorsement and that individuals who had motorcycles licenses prior to September 1994 had until September 1998 to receive the endorsement without having to take the newly required tests. Individuals now are required to take a knowledge and skills test, or the STAR course to be exempted from the skills test, in order to receive the M endorsement.

Mr. Pemble stated the reinstatement requirements for Title 18 based do not have a huge impact, but the department is wanting to make the language consistent with reinstatement fees.

Mr. Pemble reported the change for the destruction of surrendered licenses will improve efficiency by not retaining licenses because of revocation. There are approximately 20,000 to 30,000 licenses surrendered and currently the licenses are filed away and when that individual reinstates their license the department pulls it and if it is not expired, they return it to the individual. This change will free up employees to meet customer service needs and also save on postage, as approximately one third (1/3) are returned by mail. This change will save the department approximately \$2,500 annually.

Chairman Wood asked if an individual goes to a licensing vendor and asks for a duplicate license, does the vendor clear with ITD the reason the license is suspended and if it is clear, then it could be given to them immediately. **Mr. Pemble** confirmed this. The cost for a duplicate license does not change and remains at \$11.50.

Rep. Roberts asked if other than the \$2,500.00 savings on postage outlined in the fiscal note, is there some other fiscal impact of duplicate licenses versus a reinstatement? **Mr. Pemble** stated that the number of licenses suspended doesn't always reflect the number of those reinstated, actually it is less. A number of people wait for the time out (3 yrs) and then they won't have to pay the reinstatement fee. **Mr. Pemble** said the fiscal note is not about getting extra money for the department. **Rep. Roberts** asked what the reinstatement fee is. **Mr. Pemble** said that it varies and there is not a flat answer what each person would pay for reinstatement fees, but estimated a ball park figure between \$15.00 and \$300.00 plus.

MOTION: **Rep. Bedke** made a motion to send **H356** to floor with a "Do Pass" recommendation. **Motion approved** by voice vote.

H 363 **AMEND LICENSE PLATE FEES:** **Amy Smith**, ITD reported this proposal increases the license plate fee from \$3.00 to \$4.00. Currently the department retains \$2.50 and \$0.50 goes to the Idaho Heritage Trust Fund. Manufacturing costs have continued to increase and the plate fees have not kept pace. The last increase was in 1992 for the copyright fee to be distributed to the Idaho Heritage Fund. Replacement license plates are currently required every seven (7) years.

MOTION:

Rep. Smith(24) made a motion to send **H 363** to the floor with a "Do Pass" recommendation.

Rep. Hagedorn asked where it is noted to change the plate replacement cycle from seven (7) years to ten (10) years. **Rep. Moyle** stated he had asked about having this information written up and while it is last minute, he just received it himself and wanted the committee to have it also. This shows the costs if the plates were changed to a ten (10) year cycle. **Rep. King** asked if they were able to find out if the reflected material will last ten (10) years. **Julie Pipal** of ITD stated she doesn't have the list of states who have a ten (10) year replacement cycle with her, however, 3M has guaranteed the paint for five (5) years. The states are all over the board with replacement cycles anywhere from two (2) to twelve (12) years and it was not tied to what 3M guaranteed. It was noted that previously there was an effort by the legislature to move the replacement cycle to ten (10) years and seven (7) years was the compromise. **Chairman Wood** said she remembers when that occurred and the Idaho State Police (ISP) came in and were vocal about not going more than seven (7) years. It was asked if others can bid for this process? **Ms. Pipal** said the contract is through Correctional Industries not ITD and 3M received the bid for the digital process. **Rep. Moyle** asked how long the contract with Correctional Industries is. **Ms. Pipal** said they are in the first year of a five (5) year contract. **Rep. Moyle** asked if the contract required us to use 3M and do other companies guarantee their paint. **Amy Smith** said that Correctional Industries can contract with whomever they want, as long as the company meets the requirements. **Rep. Nonini** asked Chairman Wood if can she remember when the seven (7) year license plate cycle came into effect. **Chairman Wood** said to the best of her recollection it was about eight (8) years ago. **Rep. Nonini** asked **Ms. Pipal** if with the advances in technology the paint is more advanced now than previously. It was answered that there has been improvement in their paint. **Rep. Hagedorn** asked Ms. Pipal if law enforcement has the ability to ticket or stop a vehicle with a plate that is not reflective enough or does not display the numbers well enough. **Ms. Pipal** said she doesn't know whether they do or not, but Idaho Code requires license plates to have 75' of visibility. **Rep. Hagedorn** asked **Chairman Wood** if it was appropriate to look at the number of vehicles ticketed for non-reflective license plates through the system and if it was changed to ten (10) years, see if that number increases over time or remains the same. **Chairman Wood** said they could, but some other factors may skew whether it is from non-reflective plates, but they could make a request. **Rep. Roberts** asked Ms. Smith if in the future there was a potential amendment to this bill or new legislation to go to a ten (10) year cycle would it affect the cost analysis projection. **Ms. Smith** stated that the requested \$1.00 increase should sustain them for the time being, but depending on the costs charged from Correctional Industries and the cost of aluminum, they could come back with additional increase requests.

Rep Moyle commented he was not going to make a motion to amend this bill, however he thinks it would be wise to adjust the year length cycle in the future. Also that ITD should look at the big picture and not nickle and dime fee increases, i.e. increases for plates, fuel gas increase and registration fees, which all pertains to additional revenue for ITD and costs the consumer more money.

Chairman Wood asked for further debate and there being none, the committee voted. **Motion approved** by voice vote.

H 365

INCORPORATION OF THE “FEDERAL MOTOR VEHICLE SAFETY STANDARDS” INTO IDAHO’S VEHICLE

REGISTRATION CODE: **Amy Smith**, ITD reported to the committee this bill incorporates the Federal Motor Safety Standards into the Idaho Vehicle Registration Code. This prohibits registration of unsafe vehicles that cannot or do not meet the Federal Motor Vehicle Safety Standards. Ms. Smith said that some imported vehicles not intended for use on public roads (i.e. midget race cars, sand rails, rock crawlers) come into the U.S. in parts and then are assembled here and do not meet standards. After Ms. Smith’s presentation, **Chairman Wood** asked for questions from the committee. **Rep. Hagedorn** asked Ms. Smith if she had a copy of the code and paperwork that an individual would need to have to self-certify their vehicle. Ms. Smith handed him the information. **Rep. Hagedorn** asked if what we are saying is that an individual has to go through all of the paperwork she just handed him to self-certify their vehicle. **Ms. Smith** said there is a shorter list within the list with extraneous information and that they would need to know what is expected of them when self-certifying their vehicle. **Chairman Wood** asked if when someone buys parts for their vehicle if the store and salesman would know what was needed for the individual to comply. **Ms. Smith** said that there are DOT conversion kits available that have equipment that can be purchased and put on bikes to be street legal. **Rep Hagedorn** asked if there are EPA requirements. **Ms. Smith** said there are EPA requirements, but not within Idaho’s Code. **Rep Nonini** asked Ms. Smith the difference between motor driven bike and a motorcycle. **Ms. Smith** said that a motor driven bike is a smaller version and has few requirement than a motorcycle.

MOTION:

Rep. Wills made a motion to send **H 365** to the floor with a “Do Pass” recommendation. A voice vote was taken with **Rep. Shepherd(2)** asking that her “**Nay**” vote be recorded. **Motion approved** by voice vote.

PRESENTATION

IDAHO ASSOCIATION OF COUNTY ENGINEERS AND ROAD SUPERVISORS (IACERS): **David Babbitt**, member of the legislative committee for IACERS and the Public Works Director for Bingham County reported there are a lot of entities that deal with highways and associations and each have their own ideas. There are 290 local highway districts in Idaho and today he wants to present their viewpoint. There are 33,382 local highways that the

jurisdictions maintain. Road miles maintenance is increasing and funding from ITD is decreasing. The objective of his visit today is to present where their funding comes from and show that per mile distribution divided between highways has gone flat. Costs are soaring, bridges are deteriorating and they have recommendations on the formula used to distribute funds, and to be sure local highway districts get their fair share. Currently fifty-seven percent (57%) of funding is distributed to the ITD, thirty-eight percent (38%) to local highway districts and five percent (5%) is distributed to the Idaho State Police. Ten percent (10%) of the money is taken and divided equally between the forty-four (44) counties, however some counties do not have local highway districts. Per miles distribution is declining as the road miles increase, dividing the pie into smaller pieces. Another part of the formula is vehicle registration in the forty-four (44) counties. **Rep Smith(24)** stated that all highway districts, by statute, are able to levy up to two (2) to three (3) mills and asked where that appears in Mr. Babbitt's presentation and if he knows how many highway districts utilize mill levies. **Mr. Babbitt** said he doesn't have the amount of mills each district is allowed to levy. It was noted that counties also are able to place mill levies. **Mr. Babbitt** stated that he selected a few counties and compared their income to the ITD income and pointed out it was 6 to 1. **Rep. King** asked if the roads in the Oakley Highway District aren't primarily dirt roads. **Rep. Bedke** stated they have a mixture of roads, but that a lot of them are gravel roads. **Rep King** asked Mr. Babbitt about comparing a bigger highway with a gravel road. **Mr. Babbitt** said that the range is about fifty percent (50%) oil and fifty percent (50%) gravel across the state. **Mr. Babbitt** noted that even with less vehicle registrations, the highway district still has miles of roads to maintain.

Mr. Babbitt reported that there are 1,761 bridges in the state system, with bridges being designed to last an average of 50 years. Currently 339 bridges are older than 50 years and an additional 518 bridges will be over the 50 year mark within the next 10 years. There will be structural and potential liability problems if proactive steps aren't taken. **Mr. Babbitt** stated there has been a dramatic increase in the cost of construction since 2003 and since 2005 all construction has declined with the exception of highway construction. As revenue goes flat and costs continue to increase, they are not able to maintain their systems. **Rep. Mortimer** said while taking a tour with ITD last year, one thing they brought to his attention was that a lot of state highways go through cities and counties and are bypassed by federal highways. It occurred to him there is no reason for those roads to then continue as state highways and could be maintained by county and cities. Could there be some agreement so that cities and counties can take back roads that are no longer state highways and increase the funding to local jurisdictions. **Mr. Babbitt** said that is correct on a general basis, but cited an example of a high bridge in northern Idaho where there are only 4,000 people in the county. They have to maintain the bridge on their own funds and the costs to repair the bridge goes through federal funding, as they don't have enough money. **Rep. Mortimer** said that from what he was shown, that

even with special exceptions the state would be further ahead to subsidize counties on a project by project basis. **Mr. Babbitt** said that was a fair statement and possibly should focus federal funds into specific areas where all of the regulations don't apply. **Rep. Mortimer** asked Mr. Babbitt if he would be willing to serve on a task force to look at this and **Mr. Babbitt** said he and others in his organization would be willing to do so. **Rep. Ringo** asked Mr. Babbitt how much of the efficiency using local money has to do with the regulations on how much individuals have to be paid for their work. **Mr. Babbitt** said that it was not so much wages, but environmental regulations and a variety of other issues make up the biggest portion. **Rep. Ringo** asked if local employees receive Davis Bacon reimbursement. **Mr. Babbitt** said that local employees do not receive Davis Bacon wages, but contractors do. **Mr. Babbitt** stated that maintenance is cheaper than reconstruction and in order for the local districts to stay within budgets, they are not replacing bridges that need to be replaced, not chip sealing roads, safety improvements are being delayed or ignored, and not replacing retiring employees. It costs approximately one million dollars to rebuild a mile of road. The bottom line is that local districts prefer to have money without federal strings attached, the division of money needs to be reevaluated, all roads are deteriorating, and more funding is needed at the local highway jurisdiction level. **Chairman Wood** thanked Mr. Babbitt for his excellent presentation.

Chairman Wood reported that due to some committee members having to leave to attend Education Committee Meetings, a quorum is no longer present and that the rest of the agenda will be taken up at a later meeting.

H 338, H339 and H371

Chairman Wood asked Lt. Col. Dahle if he would be able to come back to make his presentations on these bills at a later meeting. **Col. Dahle** said that would be fine. **Rep. Ruchti** said he recalls talking about the rulemaking process in another meeting and how it applies to government agencies. Col. Dahle had been asked what they wanted to use rulemaking for and Col. Dahle had replied nothing specific and suggested that he talk to someone about rulemaking. **Chairman Wood** said Dennis Stevens had made himself available and was more comfortable with Col. Dahle's request.

H 336

Rep Ruchti said that a number of people are here to testify regarding this bill and worried if the date was changed, they will not be able to come back. **Chairman Wood** said as there is no longer a quorum, the committee can take testimony but cannot vote. **Rep. Ringo** stated the nature of the testimony is valuable in order for the committee to vote and that for at least one member of the audience, Maria Andrade, this is her only opportunity to testify as she is going to be gone the next several weeks. **Rep. Hagedorn** recommended on waiting and having the public testimony when more committee members are present, so they can hear the testimony before voting.

Chairman Wood ruled to consult with the committee secretary to see what the schedule would be for the meetings next week and that there would be at least 24 hours advance notice of the date scheduled. **Rep Hart** stated that if anyone couldn't make the scheduled meeting, they can submit their testimony in writing or have someone read it at the meeting for them.

ADJOURN: Chairman Wood adjourned the meeting at 3:13 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary

MINUTES

HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: January 28, 2008

TIME: 1:30 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Roberts, Bedke, Wills, Moyle, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

**ABSENT/
EXCUSED:**

GUESTS: See attached sign-in sheet and highlighted presenters below.

**CALL TO
ORDER:** Chairman Wood called the meeting to order at 1:32 p.m.

H 338

AUTHORIZE THE MILITARY DIVISION TO PROMULGATE

ADMINISTRATIVE RULES: Lt. Col. David Dahle presented the bill to the committee and said it will allow the military division to promulgate rules. They would bear the costs and this will allow them to develop rules on how they do business directly within their organization and they will hold themselves accountable to a higher standard. Chairman Wood said that there's usually a germane committee that looks at the rules and assumed it would be this committee. Col. Dahle stated that is correct.

MOTION: Rep. Bedke made a motion to send H 338 to the floor with a "Do Pass" recommendation.

Chairman Wood called for discussion. Rep. Ruchti asked Col. Dahle what would stop the Attorney General (AG) from promulgating under policy what was done under rule. Col. Dahle stated that currently the AG promulgates all kinds of policies internally and by elevating themselves above policy to rulemaking it will make them have more accountability, as rulemaking is more defensible than policies done by an AG signature. It makes sense for them to do this, i.e. request legislative change through rulemaking and then if they are turned down can still have AG implement the change through policy.

Rep. Ruchti said that he agrees with those thoughts on using rules to make what the military division sets forth as more defensible, but he's hearing if the legislature rejected the rule because it was inappropriate for some reason, the AG would then promulgate under policy what they didn't do under rule.

Col. Dahle said he may have misunderstood the question. The AG would recommend that be taken into account when they develop informal policies in the military division. Rep Hagedorn asked how would the interaction be with Inspector General (IG) and rulemaking policy. If a guard member didn't believe a rule was proper, how would the AG handle it. Col. Dahle said they have an active duty IG sent by the U.S. Army and his stewardship is to look at issues that arise, but he has no jurisdiction over rules promulgated by the military division. They are part state and part federal and looking at a change to promulgate on the state side on how they do business. It is the nature of

how they do business for the Judge Advocates and IG to function fluidly in doing a handoff of the best interests of the military members. **Rep. Hagedorn** asked does the IG report to our AG. **Col. Dahle** said the IG is directly accountable to the AG, has access to the AG at any time and advises the AG on business and compliance practices. **Rep. Hart** said that assuming this legislation gets enacted, what is the policy of the military division in publishing a rule that might be temporary or come before this committee, and having a period of time where the public or soldiers can see the rule, read and understand it and is there anyone other than the immediate chain of command to voice their opinion of the rule to. **Col. Dahle** said he's not sure exactly how this will work, but perceives the question to be that there might be the occasion where the members would not be free to participate in this process, but he doesn't see that happening and will develop a system that will allow them to participate. On the federal side they have a union and they might be interested in helping them with the rulemaking process. **Col. Dahle** said this is new to them so they recognize the process has potential problems and want to work it in a way that doesn't impose on their constitutional process. **Rep. Hart** asked if a soldier went to the IG and talked to him about a rule or proposed rule, is that outside his scope. **Col. Dahle** stated that anyone can talk to the IG about anything and the IG wants to help the AG in that if there is a concern germinating and while it might be somewhat outside his normal scope of duties, it would be something the IG would want the AG to know about. **Rep. Ruchti** commented that he likes the concept of the bill, shared the concerns of Rep. Hart, but as long as the military division is cognizant and willing to create a system where soldiers can express their views about rules, he thinks it will be a good policy.

Chairman Wood asked for any further discussion or comments. There being none, the committee members voted. **Motion approved** by voice vote.

H 339

CORRECTION OF PROBLEMS IN TITLE 46: . **Lt. Col. David Dahle** stated this is old fashioned housekeeping, as many parts of Title 46 of the Idaho Code are very old, and exist back to 19 27. Some of the terms have been replaced or are antiquated, possibly some even predate WWII, and this will combine and make the changes in a consistent manner. **Rep. Smith(24)** asked about the reduction of fifteen (15) days of paid leave to five (5) days and the significance of that. **Col. Dahle** said the change is from fifteen (15) days to one hundred twenty (120) hours, based on an eight (8) hour day, which is what other state employees have. **Rep. Smith(24)** stated he didn't think it should be based on an eight (8) hour work day, as there is nothing to indicate it's not a twenty-four (24) hour day and it could be confusing. **Col. Dahle** said the leave entitlement exists for guard members who are taking leave from their employer in the State of Idaho.

MOTION:

Rep. Bedke made a motion to send **H 339** to the floor with a "Do Pass" recommendation. **Motion approved** by voice vote.

H 371

AMEND THE STATE INTEROPERABILITY EXECUTIVE COUNCIL (SIEC) AUTHORIZING LANGUAGE: Lt. Col. David Dahle reported this proposal makes a minor change to reflect the relocation of the SIEC from the Bureau of Homeland Security to the military division for purposes of administrative support and governance and takes away the sunset clause. Rep. Roberts asked if anyone signed up to give testimony in opposition or support of this legislation. After checking, it was noted that no one signed up to give testimony on H 371.

MOTION:

Rep. Roberts made a motion to send H 371 to the floor with a "Do Pass" recommendation. Motion approved by voice vote.

H 366

DRIVERS LICENSE AND IDENTIFICATION CARDS EXPIRATION DATES AND ISSUANCE FOR ALIENS WITH LEGAL DOCUMENTATION: Lynn Rhodes, ITD reviewed the proposed legislation noting it deletes outdated references to verification of Social Security Numbers(SSN) by looking at the SSN card, as they are now verified by computer. It prevents the expiration date for a drivers license and identification card to extend beyond the legal presence of an alien in the United States and limits the validity of a drivers license or identification card to one (1) year when documentation does not state an expiration date. Current law requires proof of legal presence when applying for a drivers license or identification card. There are instances where those aliens who were issued identification cards or drivers license continue to renew them long after their legal presence in the United States has expired. An unexpired drivers license or identification card provides the impression that the holder is a legal resident in the United States, which does not support the laws of the United States of the State of Idaho Code

MOTION:

Rep. Smith(24) made a motion to send H 366 to the floor with a "Do Pass" Recommendation.

Chairman Wood asked for discussion and advised there is a guest who wants to speak to the bill. Rep. Ruchti asked Ms. Rhodes how this bill will affect permanent residents who are here under a legal status but have no documentation to show. Ms. Rhodes stated that pages 7 & 10 speaks to that, as every drivers license issued to a permanent legal resident is the same as for U.S. citizens. Rep. Ruchti asked if there are situations where someone is a permanent legal resident but will not have legal documentation. Ms. Rhodes said that she is unaware of a situation where that would be the case. They have contacts at the Department of Homeland Security, SAVE program and also can verify any documentation by a phone call. Rep. Ruchti asked if ITD has contacted major employers in the state, i.e. Micron, to ask how this will affect any of their legal out-of-the-country employees. Ms. Rhodes said she has not, but if the individuals are here legally, she doesn't see where it would be a problem. Rep. King asked about the SAVE program and how it works, as she knew a woman who was in an abusive relationship and he kept her passport and green cards and asked how could this woman would be able to obtain work, as she would need a drivers license. Ms. Rhodes said they do have an exception process in place to help those in unusual circumstances and they refer them to the Department of Homeland Security for re-issuance of documentation. Rep. King said she thought the person she was referring to might be a refugee versus an alien. Ms. Rhodes said that with a refugee it is usually more convenient as they

generally come with bare minimum of documentation, if any. They rely on those agencies who deal with refugees to provide documentation, and if they are here legally, they would refer them to that refugee agency or contact the agency themselves to help them regain their identification cards, etc.

Chairman Wood asked for testimony. **Kathryn Railsback** introduced herself and said that she is an immigration attorney and had the page distribute a hand out. **Ms. Railsback** said she can understand the appeal for this bill and it is common sense to not issue a drivers license for longer than an alien's legal presence. Once you start looking at how complex the immigration system is, however, you will see there is a real risk that the Department of Motor Vehicles (DMV) will be denying a drivers license to those authorized to work and be here, and will result in a lot of expense and time, not only for the state and federal government, but also Idaho employers, especially those in high tech fields. **Ms. Railsback** said she can speak from personal experience and that Rep. King's example is one out of hundreds of cases who run into terrible red tape, both for individuals and employers. At a time when we are trying to build up the high tech and university systems and bring in computer and research scientists, these are the last people we want to add red tape to. **Ms. Railsback** said in her opinion this bill is overly broad as there are many categories of those authorized to live and work in the U.S. for extended periods of time and she believes DMV is asking for potential liability by leaving this decision making power with clerks. **Ms. Railsback** noted some of the various Nonimmigrant temporary visa categories that apply to individuals in Idaho: H1V; F; J; H-1B; H-2; L; and TN. Some categories have a clear definition of how long they will be here, but some do not. **Ms. Railsback** stated that if her understanding of this bill is correct it is a waste of money to issue a drivers license every year to those whose status is unclear and it will add delays at DMV while clerks and supervisors take additional time to verify documents and individual's status in the U.S. **Ms. Railsback** stated that green cards have gone through many variations; there is an effort to standardize them for ten (10) years and the number of visas issued each year is limited by Congress. **Chairman Wood** asked why others were not here today, i.e. representatives from Micron, and if it is better that they have REAL ID or that we comply with the Department of Homeland Security so that we will not have to have REAL ID if it can be handled within our state. The responsibility lies with legal aliens to meet the requirements to get drivers licenses and/or identification cards, so that the rest of us don't have to pay the price and have REAL ID. **Ms. Railsback** said that Micron counsel is out of town and some individuals were here last week but couldn't return this week and that she is not qualified to speak to REAL ID. It was noted that's why ITD is proposing this legislation as they do know about REAL ID, there is resistance among Idaho citizens to REAL ID, and ITD is trying to comply with the Department of Homeland Security so we can use our state law to sort out who is to here legally and who is not. If REAL ID is implemented, aliens would still have to go through all of these steps, so which way do we want to go is the decision. **Ms. Railsback** said that possibly the proposed legislation could be reworked. **Chairman Wood** asked Ms. Rhodes if it is true some would have to apply for a drivers license or identification card each year. **Ms. Rhodes** said that it depends on what their documentation says. **Rep. Hagedorn** asked Ms. Railsback for the number of refugees it impacts in the state. **Ms. Railsback** said she doesn't know, but could find out. **Rep. Hagedorn** asked for a

guesstimate. **Ms. Railsback** said she would guess in the thousands. It was noted those coming into the U.S. have to work with the Department of Homeland Security to come into the country. **Ms. Railsback** said the problem is the quality of documents and not having a uniform documentation system. **Rep. Ruchti** asked Ms. Rhodes to address the fiscal note: has any other state implemented this; what the fiscal note for other state's legislation is; and what would \$5,200 do for the ITD to train clerks. **Ms. Rhodes** said the \$5,200 is an estimate of possible programming costs for ITD. ITD would probably have someone who is already an employee do the programming changes, which involve changing the system so clerks have the ability to enter expiration dates differently than what they have now and add a few fields for comments. As for other states' costs, she doesn't have that information. **Ms. Rhodes** said that this morning she read an email from the American Association of Automobiles and it reported that Michigan and Kansas have implemented similar legislation and this is the general trend of the nation. As far as DMV clerks, **Ms. Rhodes** stated they deal with these issues every day and are not unfamiliar with all of the different status categories. The clerks have reference materials on hand and have contacts with the various agencies, if needed. DMV is not intentionally trying to deny identification cards or drivers licenses to individuals. **Rep. Smith(24)** said he wished to comment in support of the motion and that he was impressed with the confusion ITD may have every time someone comes in with questionable documents, so thinks an annual renewal is fine. This may prompt the Department of Homeland Security to put something with an expiration date with the paperwork. **Rep. Ruchti** asked to speak in opposition of the motion as he thinks this is casting too wide of a net and will catch some who are unintended and shouldn't have to go through this long process, while forcing others to stand in line while DMV is checking on their status. **Rep. Ruchti** said he doesn't think the fiscal note adequately represents the costs in training clerks on different types of visas, doesn't think it improves government and will vote against it. **Rep. Hart** asked to speak in favor of the motion and stated he thinks oftentimes we deal with and think about efficiency, but when the issue is the security of our state and communities, that is the primary issue. **Rep. Hart** said this bill is positive in terms of securing our borders, communities and state, and is good legislation. The weak part seems to be the federal immigration system, not DMV, and if we pass this legislation it may help facilitate immigration to clean up their documents. Lastly if there are any real obvious problem areas, **Rep. Hart** said he foresees ITD coming back next year to address this. **Rep. Ringo** asked Ms. Rhodes if the proposed legislation was run by the Attorney General's office before bringing it to the committee. **Ms. Rhodes** stated, yes, they did. **Rep. King** said she wishes to speak in opposition of the bill, as she thinks people will drive without a drivers license because they don't know to go into the DMV or are too busy. **Rep. King** said she thinks it is a very time consuming process and forces aliens to have to rely on the goodness of other folks in the meantime and regardless of their status thinks aliens should have drivers licenses for the safety of the citizens. **Chairman Wood** asked for other discussion or comments.

Hearing no other discussion, **Chairman Wood** called for the vote. **Representatives Ringo, King and Ruchti** voted "Nay" and asked their votes be recorded. **Motion approved** by voice vote.

S 1259 **NAME CHANGE ON LICENSE PLATES:** **Rep. Diana Thomas** reported the name change is for a license plate that is already part of our system. The College of Idaho was changed sixteen (16) years ago to Albertson College of Idaho and it has now been changed back to the College of Idaho. This program allows those who want to donate money back to the college through the license program to do so. This is not a new license plate and won't require those who currently have it to go and get a new one.

MOTION: **Rep Roberts** made a motion to send **S 1259** to the floor with a "Do Pass" recommendation. **Motion approved** with a voice vote.

H 365 **INCORPORATION OF THE "FEDERAL MOTOR VEHICLE SAFETY STANDARDS" INTO IDAHO'S VEHICLE REGISTRATION CODE:**
Chairman Wood reported that at the last meeting the committee had made a recommendation to send the bill to the floor with a "Do Pass" recommendation, and that the Speaker of the House referred the bill back to the committee for further discussion. **Julie Pipal**, ITD stated that on page 8, line 33 the way it was worded would put law enforcement in the position of not being able to enforce DUI's. **Ms. Pipal** said she spoke with the Deputy Attorney General and he suggested the language before the committee, which would allow the distinction to be made for law enforcement. The amended language will read: "(g) Motor Vehicle. Every vehicle which is self-propelled, and for the purpose of titling and registration meets federal motor vehicle safety standards as defined in section 49-107, Idaho Code. Motor vehicle does not include...".

MOTION: **Rep. Moyle** made a motion to send **H 365** to general order with the amendment attached.

Rep. Moyle stated that there are no committee amendments, so when this goes to general orders it's free game and they can do what they want. **Chairman Wood** asked ITD to explain the part about ATV's on page 11, line 7. **Ms. Pipal** said in the discussion with the Deputy Attorney General they discussed about a conflict in code and he said he doesn't believe there is a conflict because of the language in lines 48 and 49.

Motion approved by voice vote.

Chairman Wood announced that the Idaho Highway Users are conducting their Annual Legislative Reception/Luncheon on Tuesday, Feb 5th , and invited the committee members to attend. They are asking for an RSVP at 383-6471 no later than today.

ADJOURN: There being no further business before the committee, **Chairman Wood** adjourned the meeting at 2:48 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary

MINUTES

HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: January 30, 2008

TIME: 1:30 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Roberts, Wills, Moyle, Nonini, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

**ABSENT/
EXCUSED:** Representative Bedke

GUESTS: See attached sign-in sheet and highlighted presenters below.

CALL TO ORDER: **Chairman Wood** called the meeting to order at 1:31 p.m.

Chairman Wood reminded the committee members of the Idaho Highway Users dinner on February 5th and announced on Thursday, January 31st, Phil Demosthenes will be the guest speaker at the Senate Transportation Meeting at 1:30 and Senate Local Government and Taxation meeting at 3:00 p.m. Mr. Demosthenes will be speaking about access management.

APPROVAL OF MINUTES: **Rep. Nonini** made a motion to approve the minutes of January 28, 2008 as corrected. **Motion approved** by voice vote.

Rep. Wills made a motion to approve the minutes of January 24, 2008 as written. **Motion approved** by voice vote.

H 364 **SALVAGE VEHICLE PROCESS; BRANDED DECALS FOR SALVAGE VEHICLES; SALVAGE TITLE FEES:** **Amy Smith**, ITD reported the changes to this legislation create a uniform treatment for all salvage vehicles. Instead of one (1) program for newer and more expensive vehicles and another program for older, less expensive, this will make the language consistent, with treatment of salvage vehicles under one (1) process and will eliminate confusion. This proposal would reduce the fee for newer vehicles to \$15.00 and increase the fee to \$15.00 for vehicles more than five years old. **Ms. Smith** reported the Idaho Automobile Dealers Advisory Board supports this proposed change.

Chairman Wood asked who will do the inspections on salvage vehicles or are they are self-certified? **Ms. Smith** said that if the vehicle is new or five years old or less and has a pre-crash value of more than \$6,000 then one of the state's inspectors must make the initial and followup inspection after repairs are completed. **Shane Piquet**, representing Holst Truck Parks and local salvage yards in his area, addressed the committee and expressed support of this bill as it expedites the process. It will streamline the program and allow the process to be done in a timely manner. **Rep. Nonini** stated he originally carried this bill and at that time there were concerns after Hurricane Katrina that flooded cars were branded as total losses or consumers weren't being made aware of the

damages to the vehicles. **Rep. Nonini** asked Mr. Piquet who tells the purchaser about damages. **Mr. Piquet** said the salvage yards tell the buyer everything they know about the vehicle and that he has never seen one of the vehicles talked about from Hurricane Katrina. **Mr. Piquet** said it is very obvious if a vehicle has been flooded, as you can smell it when you open the door or if you pop the hood and the electronic components have residue on them. When you buy salvage vehicles through auto auctions on the internet, the description will state "flood vehicle." **Rep. Nonini** said that he appreciates that Mr. Piquet knows that, but does he pass that on to the consumer. **Mr. Piquet** stated, yes they do.

MOTION: **Rep. Nonini** made a motion to send **H 365** to the floor with a "Do Pass" recommendation. **Motion approved** by voice vote. **Chairman Wood** asked **Rep. Nonini** to carry the bill to the floor.

SJM 108 **SUPPORT FOR FEDERAL INITIATIVES TO ENSURE RETURNING SERVICE MEMBERS HAVE TIMELY ACCESS TO THE RANGE AND QUALITY OF HEALTH CARE SERVICES THEY REQUIRE:** **Rep. Wills** said this comes to us from an issue that has been on the back plate for servicepeople for many years and seems to be getting worse. This expresses great gratitude to service members for their service. When they come back from deployment and need health services however, sometimes they end up waiting weeks, months, and in some cases even years, and are not being taken care of in the proper manner. We are asking the President of the United States and Congress to speed up this process. **Rep. Wills** said this is similar to when you call and are put on hold and you either tire of waiting or lose the connection. This is what is happening to our service members, they are losing the connection.

MOTION: **Rep. Ringo** made a motion to send **SJM 108** to the floor with a "Do Pass" by unanimous consent. **Motion approved** by voice vote. **Chairman Wood** asked **Rep. Wills** to carry the bill to the floor.

RS17682 **NEIGHBORHOOD ELECTRIC VEHICLES:** **Trent Wright**, Idaho Automobile Dealers Association/IADA, reported past legislation allowed electric vehicles to be titled and on the streets. This proposal is asking to allow these vehicles to be on highways with a posted speed limit of 35 mph and to cross any highway with a posted speed of 45 mph. **Mr. Wright** said this is a more fuel efficient transportation system within the community itself, and they are not advocating for them to be on long distance hauls. **Rep. King** asked if this is a wheelchair or a golf cart? **Mr. Wright** responded that these are not golf carts, they are an actual vehicle unit, and are regulated by federal safety standards. As they fall under the definition of a slow moving vehicle, they are exempted from having air bags. In the past, retailers have marketed these vehicles as more of a destination town/resort vehicle, however, dealers are looking at expanding franchises into Boise if this opportunity would arise. In response to a question, **Mr. Wright** said this would be a state-wide rule, but is not suggesting that a city ordinance couldn't be passed if it was determined it was not good for their town. You couldn't go back in as the original bill is written, and say they can be allowed where it is posted 55 mph or 65 mph; they would have to go through the same process he is going through today. **Rep. Wills** said that it is his recollection that the current legislation was passed a few years ago with the understanding they didn't

want to increase the speed, as that would put them on highways that they then wouldn't meet the federal safety standards. **Ms. Smith**, ITD, said these vehicles do meet the federal safety standards that are designed specifically for them. These vehicles do have seat belts, bumpers, etc. The only thing they don't have are air bags, as they are exempted by federal safety standards. **Rep. Wills** said if this legislation is passed and they can drive where it is posted for 35 mph and travel across roads posted at 45 mph, he feels it is creating a bigger hazard. **Rep. Ruchti** asked if these vehicles are capable of traveling at a rate of 25 mph. **Mr. Wright** said that by federal safety standards they must have a minimum acceleration rate of 20 mph and a maximum acceleration rate of 25 mph, as if they don't fall in that range they can't be classified as a slow moving vehicle. **Rep. Hart** stated he was wondering if these vehicles are capable of going at a rate of 35 mph and if so, could anyone testify how safe they are at that speed. **Mr. Wright** said that he is in contact with a manufacturing representative here and indicated he would be happy to come testify on specific unit or safety standard questions. **Mr. Wright** said they are seeing where consumers are more interested in alternatives in getting around town, especially with energy prices and this is a viable option to address energy needs within a community. Parking space is also an issue and these vehicle are a viable choice for a second and/or third vehicle. Military bases use them quite a bit. Consumers are reluctant to purchase them as they are currently limited where they can use them. **Chairman Wood** asked if they are wanting to find more places for them to go. **Mr. Wright** responded yes. **Rep. Mortimer** asked in Boise if these vehicles can go anywhere in town and clear to anywhere it is a posted 35 mph zone. **Mr. Wright** said the current law still limits where they can travel and he believes in most communities, speed limits are 25 mph unless posted otherwise. **Rep. Hagedorn** commented these vehicles are designed to go 25 mph and is not sure if our streets are set up for these to be utilized, but in many areas of the country they are finding them to be very much a viable option. **Rep. Smith(24)** said when the bill came through the first time, he remembers the pictures portrayed a retirement community, but not crossing highways. He thinks it will be folly to expand to these limits and therefore will not be supporting this change. **Rep. Hart** asked if one of these vehicles is on a road posted at 35 mph, is it going to be traveling at 25 mph. **Mr. Wright** said these vehicles are bound to stay at a 25 mph limit. **Rep. King** commented she sees this as a traffic hazard, as when traveling on a highway and you come up behind a vehicle going 10 mph slower than you, it's hard to judge and thinks they will be a cause of accidents; therefore she is not going to support this proposed legislation. **Rep. Ruchti** commented he has reservations about the bill, but would like to have a hearing to see more information and photos.

MOTION:

Rep. Ruchti made a motion to introduce **RS17682** to print.

SUBSTITUTE MOTION:

Rep. Wills made a substitute motion to return **RS17682** to the sponsor.

Rep. Wills stated he thinks the committee is hearing plenty of reasons why this is something we don't want out there. If we look at safety, these vehicles travel at 25 mph and if another vehicle traveling at a higher rate of speed strikes it, especially if going in opposite directions, there will be

the risk of serious injury and thinks this is asking for a lot of serious issues that we'll regret. **Rep. Ringo** asked if we have information on the safety record of these vehicles. **Mr. Wright** said as this is a print hearing he didn't prepare that information, but he can provide it. **Rep. Ringo** commented she will vote to print and even though she is sensitive as to whether or not this is safe, thinks there is time to receive more information. **Rep. Mortimer** asked if the motion is to refer back to sponsor, can they bring it back at another point. **Chairman Wood** said yes, with **Rep. Roberts** confirming that is correct. **Rep. Roberts** commented an other option is to change the speed limits on the roads in those specific areas. **Chairman Wood** said that most city streets are posted at 35 mph and that is the reason for the proposed change, but these vehicles are still held at 25 mph.

Chairman Wood asked for further discussion. Hearing none, **Chairman Wood** said the last motion was made by **Rep. Wills** to return **RS17682** to sponsor. The first motion made by **Rep Ruchti** was to introduce **RS17682** to print.

**ROLL CALL
VOTE:**

A roll call vote was requested. **The substitute motion to return RS17682 to sponsor passed by a 7-5 vote.** Voting **AYE:** Representatives Hart, Smith(24), Roberts, Wills, Mortimer, Shepherd(2), King. Voting **NAY:** Representatives Wood(35), Moyle, Hagedorn, Ringo, Ruchti.

RS17694

TITLING OF PICK-UP MOUNTED CAMPERS: Trent Wright, Idaho Automobile Dealers Association/IADA, said this legislation is not for camper shells or pickup canopies, but pickup mounted campers which meet the same requirements as recreational vehicles, contain at least one facility such as a stove, refrigerator, heater, etc., and are at least 6' in overall length. This allows for easier lien filings and allows dealers to do easier titling. It also requires dealers to be licensed and a titling requirement on or after January 1, 2009. The goal is not to require those who currently have these campers to go out and title them, but provides an avenue to do so, if they choose to do so. All dealers registered to sell these campers must have a title issued with the sale at that transaction.

MOTION:

Rep. Ringo made a motion to introduce **RS17694** to print.

Chairman Wood asked for discussion. **Rep. King** asked what the cost is to this. **Mr. Wright** said he worked with ITD and the figures they came up with are a one time programming cost of \$4,680 and then it would generate ongoing revenue of \$20,000 or more based on the \$8 titling fee. **Rep Moyle** stated he thought it would be better to make changes to where it talks about "...containing at least one of the following facilities..", and change to "...containing at least two of the following facilities..". **Rep. Hart** asked if someone buys a new camper from a dealer that's required by this to be titled and a month later sells the same camper to a private party, does the camper then have to be titled or is it an option for the second buyer. **Mr. Wright** stated the camper would already be titled under first sale, so the title would be transferred to the second buyer. **Rep. Hart** asked if these would be an annual or biannual license. **Amy Smith**, ITD, said there is already an annual RV license, this is simply titling. **Chairman Wood** asked if this is just a sticker. **Ms. Smith**, said

that is correct. **Rep. Hart** asked if this would be renewed every year. **Ms. Smith** said it would be the same as renewing your license plate and would have an annual RV sticker, which is actually a Parks and Recreation sticker. **Rep. Hagedorn** said to clarify, he understands that today, regardless of whether or not there is titling capability, an RV sticker is required for these campers. **Ms. Smith** said, yes. **Rep. Roberts** asked how many of these campers are we talking about that would be titled today if this was the law and approximately how many each year. **Ms. Smith** said they estimate about 4,000 to be titled annually, with 4,000 new each year. **Ms. Smith** said that titling doesn't change unless ownership changes. **Rep. Roberts** asked how many are currently in the sticker program. **Ms. Smith** said that she doesn't have that with her, but could get that information.

Chairman Wood said a motion is properly before the committee with a motion to send for introduction. **Motion approved** by voice vote.

Chairman Wood said the committee will not meet Friday, as it is the first and the committee meets on even-numbered days, so the next meeting will be Monday, February 4, 2008.

ADJOURN: There being no other business, **Chairman Wood** adjourned the meeting at 2:33 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary

MINUTES

HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: February 4, 2008

TIME: 1:30 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Roberts, Bedke, Wills, Nonini, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

**ABSENT/
EXCUSED:** Representative Moyle

GUESTS: See attached sign-in sheet and highlighted presenters below.

**CALL TO
ORDER:** Chairman Wood called the meeting to order at 1:41 p.m.

**APPROVAL OF
MINUTES:** **Rep. King** made a motion to approve the minutes of January 30, 2008 as written. **Motion approved** by voice vote.

RS 17496 **CHILD SAFETY SEATS EXEMPTIONS:** **Rep. Ringo** introduced Senator Broadsword to the committee as the co-sponsor of the proposed legislation and presented **RS17496**. **Rep. Ringo** said this will delete the exceptions on page 1, line 15, which give the conditions under which children 6 years of age or younger would be restrained. **Rep. Ringo**, in response to a question, answered that the expectation is that it isn't safe to breast feed while a vehicle is in motion, so it's safer to ask the person to pull over and take care of the baby while not on the road. **Rep. Smith(24)** asked if this would also apply to changing a diaper. **Rep. Ringo** said yes. **Rep. Mortimer** asked Rep. Wills how dangerous it is to have cars at the side of the road. **Rep. Wills** stated he would not foresee there be many cars off the side of the road. He said, however, if you take a child out of the restraint while a car is in motion, the child becomes a missile, and the adult may also be unrestrained. If you pull off the road, it will cut down on the severity of child injuries. **Rep. Bedke** asked if there has been a rash of children injured during feeding or changing or what prompted this proposed change. **Sen. Broadsword** answered that the highways of today are not the highways of twenty (20) years ago; there is more travel and more accidents. She said she doesn't have statistics regarding this question, but asked if anyone would want this to happen to their child or grandchild. **Rep. Ringo** said that she also doesn't have the statistics, however her daughter is a physician in Washington, and cited a case where she had treated a lady in the emergency room. Afterwards while on their way home, the mother was holding the baby when they were hit by another driver and the baby didn't survive. **Rep. Hagedorn** noted that at the bottom of the Statement of Purpose (SOP) it stated additional grants would become available for low income residents and asked why these grants would now become available. **Julie Pipal**, ITD, stated that currently there are funds available to states for these types of programs and the amount the state would received depends on what is in the state code. **Ms. Pipal** said that by removing this exemption,

roughly \$900,000.00 would become available, not just for low income residents but for all safety restraint programs. **Rep. Hagedorn** asked where do the grant monies go and who manages them. **Ms. Pipal** said that she doesn't have that information today, but can check into it and provide it to the committee. **Rep. Roberts** asked Rep. Ringo about page 1, line 16, subsection 2a. If all of the seat belts are in use and there are more passengers than seat belts, how many families would have to replace vehicles because they don't have the capability for all passengers to have a seat belt available. **Rep. Ringo** said the listing under 2a is for instances where there were exceptions and one was putting a family in the car and not enough seatbelts in the back seat; and they are striking that. **Rep. Roberts** asked if have for instance he has a family of five (5) and has a vehicle with only four (4) seatbelts, what is he to do. **Rep. Ringo** answered he would need to modify the vehicle by putting in another seatbelt, as they don't want children under 6 unrestrained in the vehicle. **Rep. Roberts** asked if someone modifies a vehicle, will it then meet federal safety standards 213. **Rep. Ringo** stated that she has a copy of Federal Safety Standards 213 and while she didn't see that specifically, the indication is they are to be buckled in while in vehicles.

MOTION: **Rep. King** made a motion to introduce **RS 17496** to print.

Rep. Roberts asked what section of code allows people to ride in the back of a pickup and if it is the intent of this legislation to stop people from riding in the back of a pickup as well. **Rep. Ringo** stated that she doesn't know what part of the code refers to riding in the back of pickups, but the intent specifically of this legislation is to ensure that a child in a moving vehicle is properly restrained.

ROLL CALL VOTE: A roll call vote was requested. **The motion to introduce RS 17496 to print passed by a 7-6 vote.** Voting **AYE:** Representatives Smith(24), Wills, Hagedorn, Shepherd(2), Ringo, King, Ruchti. Voting **NAY:** Representatives Wood(35), Hart, Roberts, Bedke, Nonini, Mortimer.

RS 17672 **SPECIAL LICENSE PLATES FOR NATURAL RESOURCES AND MINING EDUCATION:** **Rep. Shepherd(2)** presented **RS 17672** and reported this will provide a specialty license plate for the Natural Resources Education Outreach Program. **Rep. Shepherd** referred the committee members to the information in their packet showing what the license plate will look like. The top half of the plate depicts the statue of a miner from the memorial of the Sunshine Mine fire, in which 91 miners died. They have permission from the designer to use this for their license plate. The Natural Resources Education Outreach Program is for educators, Kindergarten through grade12, to learn how important mining is to everyday activities in Idaho and to speak to it. The program is non-profit and has a IRS non-profit status. **Rep. Shepherd** asked to pass around one of the teachers supply boxes for the committee to view. The box contains mineral samples that are mined, as sometimes we forget that mining is more than gold and silver. The funding will be used to provide classes for educators, some of which include tour of mines, including underground mines. There is no charge for teachers to come to these classes, which are held four (4) days each August and the classes are full each year. The states of Washington and Montana have asked them to expand to their areas. Now that mining is coming back, it's time to pass on this information to today's young people.

MOTION: **Rep. King** made a motion to submit **RS 17672** to print. Hearing no other discussion, Chairman Wood called for the vote. **Representatives Wood(35) and Smith (24)** voted “**Nay**” and asked their votes to be recorded. **Motion approved** by voice vote.

H 440 **TITLING OF PICKUP MOUNTED CAMPERS: Trent Wright, Idaho Automobile Dealers Association/IADA**, said this legislation is aimed at all new slide-in campers that are defined on page 6. Many individuals currently have these campers and they are not asking this proposed legislation to be retro-active to mandate that they have to title them; however, it does provide the opportunity if they so choose. **Mr. Wright** stated that one point he'd like to make is the cost to title these campers. In checking with the Secretary of State's Office, they charge \$12.00. The Idaho Transportation Department and Department of Motor Vehicles have said this will be an \$8.00 title fee and they would not be required to renew annually. **Rep. King** asked if at the print hearing didn't Rep. Moyle move to require two (2) facilities. **Chairman Wood** said that Rep. Moyle did mention it, however a motion was not made, so what we have is the bill before us. If the bill is changed, it would have to go to an amending order. **Rep Wills** said that what was resolved in answer to Rep. Moyle's question what that if the camper had a ceiling and a floor it was a slide-in camper and what Rep. Moyle asked about didn't have a floor. **Rep. Nonini** asked what was the answer regarding those campers that don't have a floor, are they considered a shell? **Mr. Wright** said the bill clearly outlines camper shells, canopies and other hard covers for pickups are not defined as slide-in for vehicles. He said that Rep. Moyle's question was about a heater, and as what he referred to was a shell, it wouldn't fall under this definition or legislation.

George Dillard, Good Sam Club, stated that about three (3) years he had approximately six (6) dealers come to him about security in their sales. Purchasers spend up to \$40,000.00 on these campers and they have no title, so if taken in trade, there is no way to know if there is a lien on the camper. The banking industry is reluctant to finance these units, so it will be a great help to have a title on them, so there is a way to track them. Without a title it could hinder the RV industry, by no one being able to secure a loan, unless they obtained 100% credit and most individuals can't do that. **Mr. Dillard** said he has been working on this for quite a while and would like to see it pass. He referred back to Rep. Moyle's question about canopy shells and stated that canopies are not considered RV, but slide-in campers are considered to be an RV. **Rep. Hagedorn** asked Mr. Dillard if a private party purchased this type of camper from another private party today with no title, and if the other party had a lien on the camper; would the purchaser be responsible for the lien or would they lose the camper they just purchased? **Mr. Dillard** stated based on what he has been told, the purchaser would be liable for the lien. He said this legislation will provide protection for everyone.

MOTION: **Rep. Wills** moved to send **H 440** to the floor with a “Do Pass” recommendation. **Motion approved** by voice vote.

Chairman Wood said there are several items of business. Packets were handed out to the committee members from ITD in response to questions asked at their presentation to the Joint House and Senate Transportation

Committees. She also asked for committee members to RSVP to the Idaho Highway Users Group regarding their Annual Legislative Reception and Luncheon tomorrow, February 5, 2008.

ADJOURN: There being no further business before the committee, **Chairman Wood** adjourned the meeting at 2:11 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary

MINUTES

HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: February 6, 2008

TIME: 1:30 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Roberts, Bedke, Wills, Moyle, Nonini, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

**ABSENT/
EXCUSED:**

GUESTS: See attached sign-in sheet and highlighted presenters below.

**CALL TO
ORDER:** **Chairman Wood** called the meeting to order at 1:31 p.m.

RS 17826

AMEND IDAHO CODE TO PROVIDE THAT THE IDAHO DEPARTMENT OF TRANSPORTATION FIRST OFFER SURPLUS PROPERTY TO CONTIGUOUS PROPERTY OWNERS: **Rep. Hart** presented **RS 17826** to the committee and reported this proposed legislation deals with surplus property the Idaho Transportation Department/ITD has no use for or there is no other state agency to exchange the property with. This proposed legislation requires that when disposing of such a property, it will first be offered to the contiguous owner; appraised and sold at fair market value. The only time surplus property can be purchased at less than fair market value is if another county or city agrees to use the property for transportation purposes. If there is more than one contiguous property owner, the property is offered at fair market value and the contiguous property owners can make bids at a private sale. If no contiguous property owner is interested, then the property is disposed of through a public sale. **Rep. Hart** said this is similar to a bill from last year, except this proposed legislation does not include the limitations of a \$50,000 price and less than 1 acre. Over the summer he met with ITD and this proposed legislation is what they came up with.

MOTION: **Rep. Nonini** made a motion to introduce **RS 17826** to print.

Rep. Smith(24) asked what happened to this bill last year. **Rep. Hart** said it came out of the House Transportation and Defense Committee, was passed by the House and went to the Senate, where it was placed on hold in the Senate Transportation Committee. **Rep. Mortimer** said it is his understanding that an adjacent property owner can go in and negotiate with the ITD, one on one, and if ITD actually finds a property they would like to purchase, they could trade and wouldn't have to go through an auction. **Rep. Hart** said that he couldn't speak to that. **Chairman Wood** said if **Rep. Mortimer** is thinking of the same thing she is, it was a piece of property by the Rexburg Slough and there was a land exchange, as both parties wanted and agreed to the exchange. **Rep. Mortimer** said he had a piece of property he wanted to purchase and ITD told him to go find

another piece of property they would want and even gave him the specifics. **Rep. Wood** said these types of properties typically don't lend themselves to building a house on them, as they are bits and pieces of land. **Julie Pipal**, ITD, said they declare a parcel of property as surplus when there is no other use for it, or it doesn't have potential for sale, trade or public benefit. Unless they dispose of the property, it remains on their property list. **Ms. Pipal** said if it is determined there is no more value, then they would surplus it. **Rep. Ringo** said the answers to the questions asked helped her a bit, as she isn't familiar with the ITD guidelines and what property becomes surplus. Rep. Ringo said she will vote to send the RS to print, but still has some concerns. **Rep. Wills** asked Ms. Pipal is there is anything in this proposed legislation that would conflict in her opinion with the way ITD handles anything. **Ms. Pipal** stated that she hadn't seen this particular proposed legislation, but that ITD was the reason the bill from last year was held. They tried to work it out but it ended up at the end of the session. **Rep. Wills** asked Ms. Pipal to confirm that she hadn't seen this bill, but asked if the department has been involved in this. **Ms. Pipal** stated she hasn't seen this particular bill, but the department has been working with Rep. Hart. **Rep. King** asked Ms. Pipal how often does this process happen to get rid of surplus property. **Ms. Pipal** stated it doesn't happen much anymore, but about four years ago the department went through a big cleaning and got rid of everything that was just sitting there. **Ms. Pipal** said the only things that might come up are ongoing or new projects. **Chairman Wood** said the committee did look at it because of noxious weed complaints in the counties and the counties asked them to step in. **Rep. King** asked Ms. Pipal about how many times per year this would take place. **Ms. Pipal** said she would have to talk to the right-of-way folks and get back to her. Chairman Wood asked if there was further discussion. There being none, the committee voted.

Motion approved by voice vote.

Chairman Wood said that on Friday there should be several RSs for the committee to review. After discussion, it was determined that the committee will meet at 1 p.m. on Friday, February 8, 2008, instead of the regular meeting time of 1:30 p.m..

ADJOURN:

There being no further business before the committee, **Chairman Wood** adjourned the meeting at 1:43 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary

MINUTES

HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: February 12, 2008

TIME: 1:30 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Roberts, Bedke, Wills, Nonini, Mortimer, Hagedorn, Shepherd (2), Ringo, King

**ABSENT/
EXCUSED:** Representatives Moyle and Ruchti

GUESTS: See attached sign-in sheet and highlighted presenters below.

CALL TO ORDER: **Chairman Wood** called the meeting to order at 1:33 p.m.

APPROVAL OF MINUTES: **Rep. Ringo** made a motion to approve the minutes of February 4, 2008 as written. **Motion approved** by voice vote.

Rep. Shepherd(2) made a motion to approve the minutes of February 6, 2008 as written. **Motion approved** by voice vote.

Chairman Wood announced the committee will not be looking at **RS 17919** as one of the agencies withdrew their support earlier today.

Chairman Wood reported that Speaker Denney wrote a letter granting the committee privileged status for the purpose of introducing the RSs today.

RS 17855 **PAPERWORK REQUIRED BY SCRAP DEALERS FOR PURCHASES UNDER \$20.00:** **Rep. Schaefer** presented **RS 17855** and said that he wrote it at the behest of a scrap dealer in his area, and referred to Idaho Statute Title 54, Section 2702 which requires record keeping of all purchases. Rep. Schaefer said that the City of Nampa Police are getting aggressive and currently the scrap dealers are required to do record keeping that includes writing down not only the name and address of the person bringing in small amounts of scrap metal, but also recording their drivers license and license plate. The scrap dealers get quite a few individuals bringing in a few small things, like cans from along the road, which are possibly an eighty cent (\$.80) purchase or a pickup with a few fenders, a hood, etc. that total to about \$1.50. Some individuals ride bicycles and don't have a drivers license. At certain times they are quite busy when people bring in just a few items, and with the volatility and price of metals right now, they suggested that paperwork not be required for twenty dollars (\$20.00) and below. It was suggested this legislation is rather old language and possibly should be reviewed in its entirety. The scrap dealers are aware of those who are bringing in stolen metals and some have turned those individuals into the police. **Chairman Wood** asked if someone brought in twenty dollars (\$20.00) worth of copper wire every day, under this proposed change could they track it, and if twenty dollars (\$20.00) is the threshold, could the police do anything even if it

was illegal. **Rep. Schaeffer** said the scrap dealers don't want to be at odds with the police and they will work with them.

MOTION: **Rep. Wills** made a motion to introduce **RS 17855** to print, with the comment that he believes this is a low enough threshold that it should be fine. **Motion approved** by voice vote.

RS 17676

AMEND REQUIREMENT FOR BOARD OF HIGHWAY DISTRICT COMMISSIONERS TO MAJORITY AGREEMENT: Chairman Wood introduced **Stuart O. Davis**, Executive Director of the Idaho Association of Highway Districts (IAHD) and congratulated him on the birth of his new daughter on Friday. **Mr. Davis** said he represents 64 highway districts in the state, which includes over 12,000 miles of road. This proposal amends the requirements for the boards of highway districts to adopt a different election cycle. When the original legislation was drafted, **Mr. Davis** said he mistakenly put in unanimous agreement versus a majority. **Rep. Mortimer** asked if there have been problems with obtaining unanimous consent. **Mr. Davis** said yes, there is one (1) commissioner, he believes in the Eastside Highway District, who is adamantly opposed to adopting this amendment. **Mr. Davis** further explained this is the only piece of legislation that requires unanimous consent. **Rep. Hagedorn** asked if all of the highway district boards are composed of just three (3) commissioners. **Mr. Davis** said there are two (2) prevailing codes in Idaho Code: Chapter 14 deals with the single county-wide highway districts and this proposed legislation refers only to those highway districts in Chapter 13. **Rep. Nonini** asked Mr. Davis if the Eastside Highway District is specifically the district with the problem. **Mr. Davis** said that it believes it is either Post Falls or Eastside: one(1) of the highway districts in Kootenai County. **Rep. Nonini** said that as both of them are in his district, he is curious as to which highway district it is and what is wrong. **Mr. Davis** said that a commissioner was newly elected and right away was appointed to be president and he didn't feel he was prepared to serve in that capacity that quickly. **Mr. Davis** stated that it is possible to elect two (2) commissioners in one (1) year and the highway district board could have two (2) brand new commissioners. **Rep. Roberts** asked about the one (1) highway commissioner who is adamantly opposed to changing the terms and asked to explain the reason he is so opposed. **Mr. Davis** said he doesn't know why he is so opposed and if the committee choose to print this, Mr. Davis would have Commissioner Humphreys or the person who is opposed, come and explain why.

MOTION: **Rep. Smith(24)** made a motion to introduce **RS 17676** to print.

Rep. Mortimer asked if he would be correct in that this proposed legislation is only changing the terms these commissioners serve and right now this is already in policy? **Mr. Davis** said that is exactly the case. He said the original legislation went into effect years ago and this proposed legislation will change the election cycle. **Rep. Mortimer** asked if all of the districts in the state have adopted this new policy, with the exception of the one (1) district. **Mr. Davis** stated he is not sure how many of the districts have adopted the alternative election cycle, but believes at least six (6) or seven (7) districts have adopted the alternative election cycle. **Rep. Mortimer** asked would it be true to say those districts that have adopted this alternative election cycle could change

back to the other system and actually change the term of the person that is objecting? **Mr. Davis** said that he doesn't have the code with him, but if memory serves they have to adopt the election cycle for a set amount of time before they change back.

There being no further discussion, Chairman Wood called for a vote. **Rep. Mortimer** voted "Nay." **Motion approved** by voice vote.

RS 17718

CLARIFICATION OF ORDINANCE AUTHORITY FOR HIGHWAY

DISTRICTS: Stuart O. Davis with the Idaho Association of Highway Districts (IAHD) stated that he is aware this proposed legislation will pick up some opposition that he doesn't understand. All this is doing is clarifying and not adding anything. **Mr. Davis** said, in his opinion, what they are asking for is grant authority over their system, which is the identical language that county wide highway district commissioners have. The existing code says highway district commissioners are vested with the same powers and duties as county commissioners, and that includes passing ordinances. **Mr. Davis** stated that if this goes to a print hearing, he would like to bring the Kootenai County Sheriff and a prosecutor to explain the problems they currently are having with this authority. This proposed legislation died several years ago in this committee by one vote and this time they have added a new section 2. Right now the highway districts are using resolution authority to monitor and control signage, weight and speed limits. This proposed language requires a two-thirds (2/3) vote of highway district commissioners to pass ordinances and is the same style as all other ordinances. **Mr. Davis** said their hope is that they can get some help with enforcement in their system. **Chairman Wood** asked if that enforcement would be through the county sheriff or state police? **Mr. Davis** stated it would be anyone vested with upholding laws. **Mr. Davis** gave an example under the proposed ATV bill. The highway districts have 12,000 miles of road, of which about 40% are not paved. The proposed ATV bill would require them to regulate ATVs on this system and some are hesitant to enforce activity under the current language. **Rep. Nonini** referred to the new language on line 30, "...may pass ordinances..." and said that one word, "ordinances," catches his eye and again on page 2. In Idaho, impact fees can only be instituted by government agencies that have ordinance authority. Does this new language give the Highway District Commissioners the authority to implement impact fees? **Mr. Davis** responded that he would say yes, however, procedures are set out and they have to go through them to be given authority by the counties. **Rep. Nonini** asked Mr. Davis if they would strike out "ordinance" in this section, will it change his bill and/or create a hardship for what they are trying to do? **Mr. Davis** said that he can understand the concern to strike the word "ordinance," but their power is vested right now in lines 9-12, except for the word "ordinance", so to strike the word "ordinance" wouldn't ruin the bill as they already have the power. **Rep. Nonini** asked if one of the main purposes of the proposed change is so they can charge impact fees? **Mr. Davis** stated the reason for bringing it forward is to clarify the administrative part of it: speed limits; bridge loads; etc., more than impact fees. **Rep. Nonini** asked if under a resolution they can set speed limits. **Mr. Davis** said they are currently having trouble getting law enforcement to enforce that because of a resolution authority. **Mr. Davis** said for instance during the Iron Man in Kootenai County there was an issue regarding law

enforcement issuing parking tickets to vehicles on the side of the road because it was not an ordinance. **Rep. Hart** asked what types of ordinances they would likely see if this passes. **Mr. Davis** said that he doesn't have a crystal ball, but would say they would use it very little. If they were to start to pass ordinances it would be on other things before impact fees. For instance, Ada County uses their ordinance authority very sparingly and not only for impact fees, as the county does signage, speed limits, etc. **Rep. Bedke** said it seems a little inconsistent to him, as when Mr. Davis was looking at the crystal ball he said it was for signing innocuous stuff, yet the things that folks are coming to him about are to enforce speed limits, parking tickets for Iron Man, etc. which are examples to grant ordinance authority to highway districts. **Rep. Bedke** wondered whose authority is being usurped and asked who sets speed limits. **Mr. Davis** responded they are not usurping anyone's authority. **Rep. Bedke** asked who sets speed limits now. **Mr. Davis** said they are doing it now with resolution authority, but are finding it difficult for law enforcement to enforce, as resolution authority is not the same weight as an ordinance in their opinion. **Rep. Bedke** asked hypothetically can he beat his last ticket by using that defense? **Mr. Davis** said he doesn't know, it depends on where it was issued. **Rep. Bedke** asked for instance what about in Hanson, Idaho, where it goes from 55 mph to 25 mph at the edge of the city limits. **Mr. Davis** stated the city council and mayor set the speed limits in Hanson and outside the city it is set by resolution authority. He further said that you can't beat a ticket in the city limits. Where it breaks down on their part, is they do signage on open miles of gravel road with a resolution, and there it runs into problems with law enforcement. **Rep. Mortimer** asked if the county commissioners have the ability to say this resolution is an ordinance, and aren't we usurping the county commissioners' rights and authority. **Mr. Davis** said that some counties have no highway districts, however Canyon and Kootenai Counties are all highway districts, and some county commissioners don't do anything, as they feel the highway districts have the authority. **Rep. Mortimer** said so in his example the county commissioners have the right, they are just not taking it. **Mr. Davis** stated, some counties don't have jurisdiction over the roads, that is given to the highway districts by code. **Rep. Hagedorn** asked if we have counties with multiple highway districts. **Mr. Davis** stated that yes, he believes there are thirteen (13) highway districts in Idaho County and Canyon County has four (4) highway district. There are eleven (11) counties that don't have any jurisdiction over the roads. **Rep. Hagedorn** said then it is conceivable that a county sheriff could have to deal with thirteen (13) different ordinances for thirteen (13) different highway districts for their particular roads. **Mr. Davis** stated that was correct. **Rep. Nonini** said that Mr. Davis had said he would bring experts if this went to another hearing and asked who they would be. **Mr. Davis** said an undersheriff, prosecutor, and an attorney for a highway district. **Rep. Ringo** said this contains some things that would solve some problems from her area, so she would like to hear more about it and would like to make a motion to introduce the RS to print.

MOTION:

Rep. Ringo made a motion to introduce **RS 17718** to print.

SUBSTITUTE MOTION:

Rep. Roberts made a substitute motion to return **RS 17718** to the sponsor.

Rep. Roberts asked to speak to the motion and said there were a couple of concerns raised: specifically trying to deal with traffic supervision and that is not as it is written; concerns about impact fees in highway districts, where they could have multiple fees within an existing county, etc. There being no further discussion, **Chairman Wood** called for the vote on the substitute motion.

The **substitute motion to return RS 17718 to the sponsor passed** with a voice vote. **Representatives Ringo** and **King** voted “**Nay**” on the substitute motion.

RS 17861

HIGHWAY DISTRICT ELECTIONS: Stuart O. Davis with the Idaho Association of Highway Districts (IAHD) said that in the early 90s he participated in the election consolidation law and asked for that election law to be duplicated so there would only be one code book. The problem is that when changes are made in Title 34 on conducting elections, it is never updated in the Highway District section. This is proposing to take all of that language and return to Title 34. For instance, as it is now, if there is a recall they would have to take the recall petition to a judge to be sure is ok and he believes that is unconstitutional. **Mr. Davis** said that he is not aware of any other advantages this change would give to the Highway District Commissioners. **Mr. Davis** said that with the advances in technology and everything being on the Internet, it is much more advantageous to have everyone read off the same section. **Rep. Roberts** said that he has no problem introducing this, but there is some proposed legislation in another committee that will deal with all of this. **Mr. Davis** said that his proposed legislation came after the other was drafted and he will get more information on it and believes it will fit together seamlessly. **Mr. Davis** said that he would have no objection to hold this proposed legislation in this committee until the other bill comes out of the other committee.

MOTION:

Rep. Roberts made a motion to introduce **RS 17861** to print. **Motion approved** by voice vote.

Chairman Wood asked if there is any other business. **Rep. Bedke** asked about **RS 17919**. **Chairman Wood** said that one of the agencies backed out at the last minute, and she felt that without their support it couldn't go forward. **Rep. Bedke** asked if she was optimistic that something would go this year? **Chairman Wood** said that they thought all agencies were on the same page, but evidently they were not and today is the last day to print. **Rep. Nonini** extended an offer and courtesy as a committee chairman that Chairman Wood was welcome to come to the Education Committee. **Rep. Hart** said the RS is already on the agenda and asked if a motion is in order.

MOTION:

Rep. Nonini made a motion to introduce **RS 17919** to print.

Discussion followed with **Rep. Wills** stating that another agency involved approached him with concerns that need to be addressed and he would like to hold. **Rep King** said that she agrees with Rep. Wills as she hasn't seen the proposed legislation. **Chairman Wood** said the RS is not in front of committee.

**WITHDRAW
MOTION:**

Rep. Nonini withdrew his motion to send RS 17919 to print.

Rep. Hart asked Chairman Wood to give the committee a quick review on how long she has worked on this bill. **Chairman Wood** said that they've worked on this for approximately 2 to 3 ½ years. The Idaho Transportation Department, ITD, admits it made a bad mistake by issuing motorcycle plates for ATV's as they found out that their federal funds could be in jeopardy, as the ATV's can't legally meet requirements to run on highways. She has been working with ITD trying to correct this. They worked with Parks and Recreation to use their stickers for off-roads, and then ran into problems with user groups from up north, and Fish and Game. Basically the problem is trying to meet everyone's needs and wants. They had agreed on a license plate and using the Parks and Recreation sticker. Then the various agencies involved were all asking for part of the funds and it became too many wanting a piece of the pie. **Rep. Wills** said he has talked to some of the agencies and will sit down and talk with them more and keep trying to work it out. **Rep. Hart** asked if there was the choice to continue to negotiate, go to a private committee and get the bill printed or have a motion this afternoon to go to print and then make changes and go to an amending order. **Chairman Wood** said she was glad to talk to the committee, but if it goes to an amending order, some will be for and some against, and she still doesn't think it will pass in the Senate. **Rep. Wills** said that another involved agency contacted him prior to this meeting, were here at the meeting and have since left and he would like those agencies to be present. **Rep. Wills** said something has to be done, due to concerns about vicarious liability, and he still thinks we can get there this year. **Rep. King** asked if this is another case of ATV's going 25 mph in a 35 mph zone. **Rep. Wood** stated there are safety issues on these vehicles being on state highways without authority to be there. She commented that it could be left to counties, with their ordinance authority to say whether roads are open or closed to ATVs, and thinks that is where it properly should be. **Rep. Wood** cited an example is her district where F&G closed off a highway as the elk were calving. Jefferson and Clark Counties said F&G had no authority to close roads. They all sat down together and worked out an agreement through an ordinance. **Rep. Shepherd(2)** said that in the north there are problems when going from county to county, as some counties will designate roads and others do not.

ADJOURN:

There being no further business before the committee, **Chairman Wood** adjourned the meeting at 2:32 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary

MINUTES
HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: February 14, 2008

TIME: 1:30 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Roberts, Wills, Nonini, Mortimer, Hagedorn, Shepherd (2), King, Ruchti, Rep. Cooke appointed by Gov. Otter to sit in for Rep. Ringo.

**ABSENT/
EXCUSED:** Representatives Bedke and Moyle

GUESTS: See attached sign-in sheet and highlighted presenters below.

**CALL TO
ORDER:** **Chairman Wood** called the meeting to order at 1:54 p.m. **Chairman Wood** introduced and welcomed Rep. Cooke sitting in for Rep. Ringo.

H 526 **PAPERWORK REQUIRED BY SCRAP DEALERS FOR PURCHASES UNDER \$20.00:** **Rep. Schaefer** presented H 526 and explained this legislation excludes purchases below \$20.00 from some of the requirements of the law for record keeping; drivers license number; and automobile license number. Any purchases above \$20.00 retains all of the required record keeping. **Chairman Wood** asked if there should be something in this bill to require dealers to report consecutive purchases of copper wire. **Rep. Schaefer** said that most scrap dealers have a good rapport with the police, are good at recognizing bad people right away and do volunteer that type of information with the law enforcement. **Rep. Schaefer** said the scrap dealers can tell if it's new stuff that has insulation burned off, etc. They are trying to eliminate record keeping on very small purchases and would like to try this and see what response they have. **Rep. Schaefer** stated that he anticipates if they find it to not be working well, they will come back in and make such comments. With the price of copper, aluminum and other certain products, the cut off of \$20.00 is actually a very small amount of product. **Rep. Wills** stated we are having a serious issue with individuals taking metal off the pumps on farms, but this is a small enough amount that it shouldn't be an issue.

MOTION: **Rep. Wills** made a motion to send **H 526** to the floor with a "do pass" recommendation. **Motion approved** by voice vote. **Rep. Schaeffer** will carry the bill on the floor.

H 463 **SPECIAL LICENSE PLATES FOR NATURAL RESOURCES AND MINING EDUCATION:** **Rep. Shepherd(2)** thanked Chairman Wood for moving them forward on the agenda. **Rep. Shepherd** said she was excited to bring this bill back to the committee today and that two (2) representatives of the Natural Resource Education Outreach Program (NREO) had flown in to testify and appreciates them coming in with the difficult weather that area is experiencing this year. **Rep. Shepherd** said that she already had told the committee a great deal about this bill when she introduced it, but has one more point that she would like to touch on, the environment. All human activity affects the environment. Compliance plans are an integral part of the mining industry today, without compromising the earth's well being. In

the past mining did have an impact because of the limited technical resources at that time, but they currently practice responsible stewardship for future generations. Our students are no longer taught the importance of mining and to bridge that gap NREO conducts a four (4) day class each August. **Rep. Shepherd** referred the committee to the color copy of the proposed special license plate and said that the depiction of miner on the plate is taken from the mining memorial and the memorial creator has given his written permission to use this depiction on the license plate. The funds will be used exclusively for the classes, there are no administrative costs and the program meets all requirements of Idaho Code. **Rep. Shepherd** reminded the committee that the miner is also depicted on the Idaho Seal, business cards and letterhead. **Rep. Shepherd** introduced **Joan Corley**, President of NREO and an engineer for Silver Mining Co. and **Lex Smith**, Vice President, and Director of NREO and Shoshone Silver Mining Company in Wallace, Idaho. **Ms. Corley** read the Mission Statement of NREO and stated the money from the license plates will go to promote education for Kindergarten through 12th grade teachers. NREO started this program as mining started coming back as an industry and they noticed almost a whole generation didn't know what mining is all about. **Ms. Corley** said there are a lot of different jobs that mining promotes to individuals throughout the world and underground mines are almost like little cities in themselves. The program costs about \$120.00 for supplies per teacher. The teachers receive two (2) continuing education credits for taking the class. **Chairman Wood** asked if they went through the Department of Education and set up credits for the teachers taking the class. **Ms. Corley** said yes, the class participants have to pay for their credits, but they try to help pick up the rest of the other expenses. **Mr. Smith** said that they discover that some teachers are a little anti-mining, but by the time they are through with the class the teachers are very amazed at what they didn't know, for instance that eighty percent (80%) of mining jobs are above ground. **Mr. Smith** stated that every company in the Silver Valley is looking for employees, with the current average age of employees being 55. These employees can work with the younger employees coming out of college and schools, and tutor them in these jobs, with geologists and engineers possibly being hired before they are out of school. A sample kit of what the teachers can purchase for their classroom was shown. **Rep. King** asked if the program was available all over the state. **Ms. Corley** said there has been an average of twenty-three (23) students/teachers every time they held the class each year. The program can go all over and they are looking at holding classes in Montana and Washington. **Ms. Corley** said they do work with another company that does a similar program in this area. **Rep. King** asked if they were a 501C3 and all volunteer program, and she was answered yes. **Rep. Nonini** commented his father was a geologist at Lucky Friday Mine and when he was a Junior and Senior in High School, Rep. Nonini worked at the Wallace Miner newspaper that was included in the handout packet. **Rep. Nonini** said that the miner memorial is for the 92 men killed on May 2, 1972 in the Sunshine Fire disaster, including two (2) of his classmates that worked the graveyard shift and then went to school in the mornings. His classmates were killed two (2) weeks before their high school graduation.

MOTION:

Rep. Nonini made a motion to send **H 463** to the floor with a strong "Do Pass" recommendation.

Ms. Corley passed out little mining kits and instructions that would be used to teach kids about mining. **Mr. Smyser**, with the law firm of Connolly & Smyser, spoke to the committee in strong support of this legislation, saying that mining is a traditional industry in Idaho and asked for the committee's support. **Rep. Roberts** stated that he does support their program and industry, but to please not take offense when he votes against this bill, as he has made it a principle to not support license plate bills.

There being no further discussion, **Chairman Wood** called for the vote. Voting "Nay" were **Representatives Wood(35), Smith(24) and Roberts.** **Motion passed** with a voice vote.

H 483

SURPLUS PROPERTY: **Rep. Hart** presented **H 483** and said it is taking an older section of Idaho code and bringing it into current times. It eliminates the requirement that when surplus property is more than \$10,000.00 and is being disposed of, that it be put out to a public sale. Property becomes surplus property when the Idaho Transportation Department (ITD) has no other use for it. **Rep. Ringo** stated she has an issue if someone has their eye on a piece of surplus property and if it goes to auction with only the adjacent owner(s), they will not get a fair shot at purchasing it. **Rep. Hart** said that most properties ITD has, if someone makes an inquiry about it, they can always start a negotiation process before it goes to public auction, however, it is first offered to an adjacent property owner for a private sale or if more than one adjacent property owner then it would be offered for a private auction. These are properties ITD has no use for, no agency to trade with, no other interest in it, and nothing else to do but dispose of it. If surplus property goes to a public auction as currently required, it costs approximately \$5,000.00 for that process, so this will actually save the department some money. **Rep. Hart** noted that **Marvin Brown** with ITD is also here to speak or answer questions at the pleasure of the chair. **Chairman Wood** stated that Julie Pipal, ITD, has given a message to the her that they support this legislation. **Rep. Cooke** said that in follow-up to **Rep. Ringo's** question and as an economist, that normally there are many buyers and sellers in a transaction and when there is only one (1) buyer then that person has market power and it looks like "good old boy" or favoritism. If not in fact, the perception is that it is favoritism and the public may get the sense that some groups are being favored over others. **Rep. Cooke** asked how to balance the perception of favoritism versus transaction costs. **Rep. Hart** stated he has a masters in finance and had a real estate license. The surplus property is for fair market value, so it must be appraised before it is offered for sale. Typically these are smaller pieces of property and normally not much desirability to them, for instance a long strip of property along the right of way the department doesn't need and it only makes sense for an adjacent property owner to purchase it. If the property isn't maintained, then it can become a place for weeds to grow. This will streamline the process for the department and they will have to sell the property for fair market value. **Chairman Wood** said some surplus property was condemned for an overpass, etc., so it makes sense to offer it back to the former property owner if it had been taken by eminent domain. **Rep. King** asked how often does this happen in a year and the size, i.e. 1 acre, 1/4 acre, etc. **Mr. Brown** stated these are usually very small, little triangle pieces of property, a quarter (1/4) of an acre or less, and it occurs approximately a dozen times per year. **Rep. Smith(24)** said the first paragraph lines 14 through 20 refers to appraised value and then refers to

established value on line 34. How does it go from appraised to established value. **Mr. Brown** said the property must be fair market value to a private party. **Rep. Smith(24)** suggested deleting “established” on line 34 and inserting “appraised.”

MOTION:

Rep. Smith(24) made a motion to send **H483** to General Order with the amendment attached.

Rep. Hart said he found language in lines 16-20 that requires another public entity to purchase surplus property at negotiated prices and that would be the established price at line 34. **Mr. Brown** stated that he reads it the same way. Discussion followed with **Rep. Smith(24)** noting that line 34 is a matter of the choice of words when it was put together, but he believes the rules address it that way or by his amendment. **Rep. Smith(24)** said that the first paragraph is in reference to exchanging surplus property between public entities; the third paragraph is disposing of surplus property to anyone and that is his concern. **Rep. Hart** reads line 20 to say that the only way the department can dispose of surplus property at less than the appraised value is for it to be sold to a public entity. **Rep. Roberts** asked Rep. Hart if he, as the sponsor, would hold until time certain Monday, so the department can bring the promulgated rules and explain them to the committee. **Rep. Roberts** said he thinks there is the need to see a clear path as to how the value cannot be less than appraised value.

SUBSTITUTE MOTION:

Rep Roberts made a **substitute motion** to hold **H 483** for time certain on Monday, February 18, 2008.

Rep. Hagedorn asked if by taking out the limit of \$10,000 did that mean any parcel, whatever size, is now eligible for this particular transfer method? **Mr. Brown** said this is down to the exception rather than the rule in dealing with these small properties and they are asking to get rid of the less than valuable chunks. **Rep. Hagedorn** said his question goes to the point of where are the sideboards in the code. He trusts everyone now but five years from now ITD might have property in Meridian next to the freeway and they could go to one of their buddies and say it looks like surplus property, and they would be able to offer it to him the way this is written. **Rep. Smith(24)** said the sideboard would be established if on line 34, change “established” value to “appraised” value and asked Rep. Hart is he had any objection to doing that. **Rep. Hart** said no. **Rep. Robert** said if that was the agreement of the sponsor, he would withdraw his substitute motion.

WITHDRAW SUBSTITUTE MOTION :

Rep. Roberts withdrew his substitute motion to hold **H 483** for time certain on Monday, February 18, 2008.

Rep. King said she thinks the Statement of Purpose (SOP) is wrong. As if the bill takes out the upper cap on surplus property, then the only change is to take out the \$10,000 cap and she isn’t understanding why we have this bill. **Rep. Hart** said that there was a time in Idaho when property was not valued as much as it is currently. This bill is streamlining the process for ITD regarding surplus property, so they don’t have to conduct a public auction and incur that expense. **Rep. King** asked then why not raise the cap. **Rep. Hart** said they had a bill to do that last year and there was a lot of debate on what the cap should be. He met with ITD over the summer

and it was agreed that removing the dollar figure was the best thing to do with the properties that are surplus and there is no other use or interest shown in them by the public or private sector. **Chairman Wood** added with ITD supporting this, they are not thinking they will be losing money, in fact they will gain a little and get rid of a headache. **Rep. King** said again that she thinks the SOP and title are not consistent with the bill and asked If the SOP is incorrect, how can it be corrected. **Chairman Wood** said they would consult with ITD and then notify the carrier of the bill and amend it. **Rep. Hart** said that when the bill goes to amending order, it is open for any amendment and anyone can bring an amendment at that time. **Rep. Hart** said he doesn't see how the SOP doesn't describe what the bill is doing.

**AMEND
SUBSTITUTE
MOTION:**

Rep. King made a motion to amend the substitute motion and to change the SOP and include that it removes the cap for surplus property.

Rep. Roberts said that you can't amend a SOP. If the SOP is misleading then the sponsor has the opportunity to correct it when it goes to General Order. **Rep. Roberts** said this is not a valid motion.

**WITHDRAW
AMENDMENT TO
SUBSTITUTE
MOTION :**

Rep. King withdrew her motion to amend the substitute motion and to change the SOP and include that it removes the cap for surplus property.

Chairman Wood said the motion before the committee is to send **H 483** to General Order with amendments. **Motion approved** by voice vote.

S 1307

DRIVERS LICENSE - JUDICIAL SUSPENSION: Hal Putnam, Idaho Transportation Department, ITD, stated that this legislation is basically a renumbering of subparagraphs and making license suspend conditions an end date subject to court orders, to start on the release from incarceration.

MOTION:

Rep. Roberts made a motion to send **S 1307** to the floor with a "**Do Pass**" recommendation. **Motion approved** by voice vote.

Chairman Wood announced that the Idaho Trucking Association is holding a Legislative Dinner on February 26th at the Arid Club. Also that there is a tentative field trip to the airport to look at the new facilities on March 6th, with a luncheon provided.

ADJOURNMENT:

As some committee members are due at another meeting, Chairman Wood adjourned the meeting at 2:52 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary

MINUTES

HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: February 20, 2008

TIME: 1:30 p.m.

PLACE: Room 228

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Wills, Nonini, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

**ABSENT/
EXCUSED:** Representatives Roberts, Bedke and Moyle

GUESTS: See attached sign-in sheet and highlighted presenters below.

**CALL TO
ORDER:** Chairman Wood called the meeting to order at 2:06 p.m.

S 1306 **LIABILITY RELEASE: Amy Smith**, Idaho Transportation Department (ITD) said this proposed legislation will amend the distribution of the \$2.00 liability fee in Idaho Code, Section 49-202 by adding a new section allowing for the fee to be retained by the county assessors who collect the fee. This has no fiscal impact.

MOTION: **Rep. Wills** made a motion to send **S 1306** to the floor with a “**Do Pass**” recommendation. **Motion approved** by voice vote.

H 527 **HIGHWAY DISTRICT ELECTIONS, TERMS: Stuart Davis**, Idaho Association of Highway Districts (IAHD), said that during his first presentation of this proposed legislation, he made a commitment to bring either Commissioner Humphreys or the commissioner who opposed this legislation before the committee at this hearing. Unfortunately, **Mr. Davis** said he was not able to make those arrangements for today. **Mr. Davis** asked to hold H 527 in committee until time certain next week and he can have the commissioner come before the committee. **Rep. Hagedorn** asked if it would be more prudent for **Rep. Nonini** to have a telephone conversation with the commissioner and report back to the committee, instead of having the commissioner travel to Boise. **Chairman Wood** asked Rep. Nonini his preference. **Rep. Nonini** asked Mr. Davis to refresh his memory. **Mr. Davis** said Rep. Nonini asked him specifically why the commissioner would not come to unanimous agreement with the way the code is now. **Mr. Davis** stated that the commissioner is Commissioner Warner and he could not get him here to testify as promised. **Rep. Nonini** asked if it is Commissioner Terry Warner. **Mr. Davis** said that is correct. **Rep. Nonini** said he will call him this weekend and report back to the committee next week.

Chairman Wood asked if there were any objections. There being none, **Chairman Wood so ordered** that **H 527** be held in committee until Rep. Nonini reports to the committee next week.

H 528

HIGHWAY DISTRICT ELECTIONS: **Stuart Davis**, Idaho Association of Highway Districts (IAHD), stated this would remove, in his opinion, the duplicitous part of the code and refer back to Idaho Code in Title 34. In the early 90's Chairman of State Affairs asked them to consolidate their elections and read off the same page. They were happy to do that, however, the problem is that amendments are made to Title 34 and it never gets updated in his code. With the advent of the internet and being able to buy code books for \$100, it became clear to him that we need to take their code out. This will eliminate confusion, as then the public will have only one section of code to look at, rather than two.

MOTION:

Rep. King made a motion to send **H 528** to the floor with a “**Do Pass**” recommendation. **Motion approved** by voice vote.

**ITD BUDGET
PRESENTATION:**

Chairman Wood said as everyone is not on the JFAC committee and they don't get to hear the ITD budget presentation, so she asked **Director Pamela Lowe** of ITD to come and make their budget presentation to the committee today. **Ms. Lowe** introduced the staff members with her: Rik Hinton, Julie Pipal, Amy Smith, Doug Benzon, Joel Drake and Jeff Stratten. **Ms. Lowe** presented the FY09 budget request of \$681,775,600 and said the bulk of the budget is for contract construction and highway operations. **Rep. Hagedorn** asked what the change in employee compensation percentage is based on. **Ms. Lowe** said the figures are based on a 5% increase. **Ms. Lowe** went over the Governor's Recommendation Base Adjustment - Replacement Items, noting the total figure of \$22,331.400. **Ms. Lowe** stated the equipment buy-back program works and reviewed the comparison of a purchase of a front-end loader in 1992 with and without the buy-back program. One of the significant savings is that there are no maintenance costs, as the equipment is under warranty while under the buy-back program. Because of those significant savings, they can purchase more equipment for less than \$600,000. They do have a white paper available on the buy-back program if the committee members want more information. **Chairman Wood** asked Ms. Lowe to address the computer costs. **Ms. Lowe** said that in defense of the computer equipment, they work closely with contractors and design consultants to do things like electronic bidding and transfer plans electronically, and therefore they need to have a similar or equivalent system. **Chairman Wood** stated it bothered her in looking at the budget with almost \$1 million in new equipment and asked if that is every year. **Ms. Lowe** answered there are peaks and valleys with that request and they try to keep the equipment for about five years before replacing it. **Ms. Lowe** said that everyone is not getting a new computer every year, it's an ongoing replacement cycle. **Rep. Mortimer** said as he recalled, last year it was significantly higher and asked if they make cuts this year. **Ms. Lowe** said it was greater last year, but it was not an active choice on their part as PC's and CAD systems are on a five-year replacement cycle, but when you look at a network with servers they have a longer life. **Rep. Hagedorn** asked what inventory we have on road equipment and if this is for replacement of road equipment. **Ms. Lowe** stated they use vehicle mileage and years of life criteria on deciding if they need new equipment. She said of the sedans and pickups they have, roughly half meet the deficient criteria.

Some pieces are about 20 years old and have exceeded the 5 - 7 year replacement cycle. Some get very heavy use with upwards of 150,000 miles on them and this usage is not on good roads. **Chairman Wood** asked if they use the buy-back program with them. **Ms. Lowe** said they do not. **Rep. Nonini** questioned on some of the equipment, i.e., welders, concrete saw, etc. if there is a market for that equipment and what happens to the equipment they are replacing that may have value to someone else. **Mr. Joel Drake** said they have a process to sell excess or surplus equipment at surplus property sales offered in the region of the state where the district is. **Rep. Nonini** asked if they could provide what amount they are getting back on average each year from surplus property sales. **Mr. Drake** said he does not have the information with him today, but will provide it to the committee. **Rep. Mortimer** questioned if on the heavy equipment buy-back program the department is getting \$10.2 million and expending \$10.7 million and needs only \$600,000 per year, what is the department doing with the \$10.2 million. **Mr. Drake** said he would have to get the information. **Rep. Mortimer** asked if it is fair to say our true cost of equipment for ITD in dollars every year is \$600,000 for that category. **Mr. Drake** answered, yes. **Rep. Hagedorn** stated he didn't see public transportation equipment on the handout and asked if that is categorized in any of these. **Ms. Lowe** replied, they don't actually own any public transportation equipment themselves, it is a pass through grant to providers and they would use funds to buy equipment. **Rep. Hart** asked if they pay sales tax on equipment they purchase? **Ms. Lowe** said she doesn't think so, but will check and report back to committee.

Ms. Lowe reviewed the Statewide Cost Allocation and said that the FY06 audit had one finding. It was asked if the committee could look at the audit. **Julie Pipal** said she believes it is available to legislators upon request. **Rep. King** asked who is using the state's aircraft and if the use is all within the state? **Ms. Lowe** said the state planes do go out of state and it depends on who is flying and their purpose. **Rep. King** asked if the state has its own pilots and how busy they are. **Ms. Lowe** said she doesn't know the percentage of flight hours, but they are trying to use them more as it helps defray the costs. Agencies looking at using the state planes can look at the scheduling information for plane is on the website to see when they are available and calculate costs to make informed decisions as when to fly. The state has two pilots and at times when there is more demand, they then refer people to charter aircraft. **Chairman Wood** asked if they reciprocate by paying into the Department of Aeronautics. **Ms. Lowe** said, yes. **Rep. Mortimer** asked if in addition to the blue amount on page 9 of the handout, could they have something close to \$16 million in equipment sales in the equipment category. **Ms. Lowe** replied, yes. **Ms. Lowe** said the fuel taxes and registration take off \$14.1 million, with \$334.3 million deposited into the highway distribution account, with those funds being shared. **Ms. Lowe** explained there is a two-year phase out recommended by Governor Otter, which will change the amount from what the Idaho State Police receives, to none next year and ISP will then be placed into the contract account. **Rep. Mortimer** asked if the GARVEE debt service is actual or projected? **Ms. Lowe** said this would be projected. **Rep. Mortimer** asked how much the department is spending in administration, personnel, equipment, etc. on an ongoing basis versus how much is

being put to the highways themselves in contracts, maintenance and actual hard dollars. **Mr. Drake** said this budget year they did a report and study of FY07 and \$132.4 million of the state funds went for highway operations and maintenance. **Rep. King** asked about funds for public transit and MPO. **Mr. Drake** said they have a program of budget unit called public transportation, which is one of nine budget units. The unit has 13 employees that handle and administrate two categories of federal funds - each are related to public transportation and urban transit issues. With regards to state funds, the only direct funding of public transportation is the vehicle investment program to assist small organizations, like Senior Centers, etc. It was asked if any equipment is purchased for public transportation. **Mr. Drake** said, no, it flows through and is given to individual city transit authorities. **Chairman Wood** asked how much MPO funds and transit funds are. **Mr. Drake** said they are very committed to reducing what they can out of administration and put as much to front line services as they possibly can. **Chairman Wood** asked how many positions are vacant and what positions they want to fill. **Ms. Lowe** replied they are not intending to leave positions vacant on a permanent basis. The goal is to eliminate positions in the overhead area and put more positions where they are delivering products to people, i.e., construction design, answering phones to the public, etc. **Chairman Wood** asked how much it costs to build a port of entry in the state, as there has been a request for one on Hwy. 20 in her district. **Ms. Lowe** said you can't build any facilities with parking for less than \$10 million, and if anything that figure is low. **Rep. Hart** said that a representative of the local highway districts was in front of the committee and pointed out that ITD takes their aggregate budget and divides it by highway miles and he asked about the difference in the ITD presentation. **Ms. Lowe** said they are working on a white paper specifically in response to this. She said that Mr. Babbitt had sent that information to her and she had several reasons why she thought it wasn't a completely valid comparison. **Rep Hart** asked if she had any idea when the white paper would be ready. **Ms. Lowe** said she expects it will be ready to hand out tomorrow or within the next couple of days.

Ms. Lowe stated that it was in 1996 when the state fuel tax was last raised from \$.21 to \$.25 and now we are more and more reliant on federal funds. There is a risk to Idaho in becoming increasingly depending on federal funds. We are looking at a \$1.1 million deficit nationwide for FY09. Some in congress are considering some actions and are looking at a new highway act. The formulas will get revisited and they will be looking at the amount we receive, as Idaho gets more federal money than what we pay in. They are anticipating a battle between donor and donee states on what funds are received. **Ms. Lowe** reported they are planning to focus new revenues on congested corridors to assist trucking and Idaho won't show up and therefore we won't get much money if that is where the federal level looks at. **Chairman Wood** asked if we can get toll roads on interstates? **Ms. Lowe** said that some states are considering tolling interstates and the federal government does allow some flexibility. The forecast shows no growth in federal funds and they are anticipating that 2012 federal government funds will be flat. The revenues are flat and construction costs have skyrocketed. The international competition for construction materials has driven the escalating costs, with China being the biggest purchasers of iron and

scrap metal. There are higher prices for fuel and as the prices go up, refineries have gotten more efficient. One of the byproducts of refineries is asphalt and that is now being reduced and Idaho is having a hard time getting sand and gravel sources. **Rep. King** asked about the comparison of road mix versus cement and their life spans. **Ms. Lowe** said that concrete is expected to last 25 years on pavement and will be more expensive than asphalt to put down, but lasts longer. Generally in eight years asphalt needs some general ongoing work, so initially it is cheaper, but more expensive in the long term. The department is using more alternate bids in Idaho, where they are letting the marketplace decide what is the cheapest to use, unless there are determining engineering reasons, and the life cycle cost is part of the bid. Idaho is growing very fast, but revenues are not keeping pace. **Ms. Lowe** stated that if revenue comes in less than forecast, there will be no alternative but to remove projects from the STIP.

Rep. Hagedorn asked if ITD has any kind of value engineering program that reviews contracts and what the return on investment is? **Ms. Lowe** stated they have a value engineering program so that every project over about \$20 million gets reviewed. She said she would have the design department give her those specifics to provide to the committee.

Ms. Lowe reported that there are six corridors in the GARVEE Transportation Program and they are working in all six. They are in the process of spending \$213 million on design, environment and construction in all of the corridors. Last year \$250 million was authorized and they are in the process of selling those bonds now. They anticipate using the funds as shown in the handout, with construction in five of the corridors shown. For FY09 they have requested \$134 million in GARVEE and will fund the projects as shown on page 18 of the handout.

Rep. Mortimer asked if Ms. Lowe would go back and compare the \$213 million under GARVEE, with what they thought they would have to spend on the first \$21 million versus what was expended on those projects.

Ms. Lowe said she will get that information and provide it. **Rep. Mortimer** asked if on the next \$250 million if we are close compared to where we were at two years ago. **Ms. Lowe** said she will have to get that information and provide it to the committee. **Rep. Hart** asked in comparing page 18 with page 19, will the three projects not on page 18 continue through FY09 or get stalled for a years and picked up later. **Ms. Lowe** stated that those projects shown on 19 require \$134 million, they are all moving ahead but they are looking at what is really ready and these projects are what are ready. They are not ready on the other projects to request additional funding. **Ms. Lowe** reported they are issuing the first \$214 million and are in the process of selling bonds up to \$180 million needed for projects ready to go. There is a sunset date of 6/30/08 and they want authority to delay that date. **Rep Hagedorn** asked if on the six projects they anticipate having all those fund expended by 7/1/09? **Ms. Lowe** replied, no and she will get the highway construction schedule to the committee. **Rep Shepherd(2)** said that she believes that last year the Garwood to Sagle road extended further south and that was not in the original plan and asked if that has been taken back out? Yes, per **Ms. Lowe**.

Ms. Lowe said that they are in negotiations with CIP to manage the

GARVEE program. **Rep. Hagedorn** asked if they are looking at using another service besides CIP? **Ms. Lowe** said, no when CIP was selected there was a competitor, but the contract was an umbrella contract. **Rep. Mortimer** asked if the contract doesn't preclude us going out to contract to a different firm if we felt the need? **Ms. Lowe** stated that is correct.

Ms. Lowe said they have spent the past two years getting environmental clearance, with the average length of time being five years to get environmental clearance. Each year they will have more and more projects going to construction. She said GARVEE is a good financing tool for Idaho and a way they can improve the highway system. ITD is proud of their work and they are looking forward to next year. **Rep. Hagedorn** asked about the service debt. **Ms. Lowe** said she will get the amortization schedule to the committee and said they are paying debt service on the FY06 bond series and the 2nd bond series. It was asked if we are planning on selling bonds on the current schedule. **Ms. Lowe** stated, that is correct with some fluctuation. **Chairman Wood** thanked Ms. Lowe and those in the department that came with her for coming today and making their presentation.

Chairman Wood said that she anticipates the committee will be meeting on Friday, but is not sure time wise, but will keep them informed.

ADJOURN:

There being no further business before the committee, **Chairman Wood** adjourned the meeting at 3:42 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary

MINUTES

HOUSE and SENATE TRANSPORTATION COMMITTEES JOINT MEETING

DATE: February 26, 2008

TIME: 1:30 p.m.

PLACE: Basement Conference Room of the State Supreme Court Building

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Roberts, Bedke, Wills, Moyle, Nonini, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

OTHERS PRESENT: This was a joint meeting of the House Transportation and Defense Committee and the Senate Transportation Committee. Members attending from the Senate included **Chairman McGee, Vice Chairman Hammond, Senators Keough, Geddes, Little, Corder, Heinrich, Langhorst, and Malepeai**

GUESTS: See attached sign-in sheet and highlighted presenters below.

CALL TO ORDER: The meeting convened at 1:40 p.m. to hear a presentation on the Governor's Transportation Funding Initiative. **Chairman Wood** and **Chairman McGee** co-chaired the meeting.

Chairman McGee announced that this joint meeting was for information purposes only, no votes would be taken on the RS's presented today.

Chairman McGee introduced **Jim Kempton**, Commissioner on the Idaho Public Utilities Commission (IPUC).

Presentation: Review of Forum on Transportation Report: **Mr. Kempton** reported on the Forum on Transportation Report and said they found that even with the increase in Idaho's population, that the \$.25 increase on fuel tax won't keep up with the revenues needed. No one had the answer to this problem, so the charts are in front of you today. There was an Increase in revenues early on with a \$.01 additional gas tax in 1996, but as the chart shows, revenues go flat and forecast to go down next year and will go back down to previous levels. Estimate about \$300 million that's foregone revenue. Federal funding is very important to Idaho. **Mr. Kempton** stated they recognize that \$200 million doesn't address the shortfall and will have to address the fact the revenue isn't there. **Mr. Kempton** said we need to be careful that the light at the end of the tunnel is hooked to a train. The big question is how to pull the funds needed to address the needs. **Chairman Wood** offered an invitation to Mr. Kempton to meet with the House Transportation Committee and help with the strategy they are working on. **Mr. Kempton** indicated he would be willing to do that.

Presentation & Darrell Manning, Chairman of the Idaho Transportation Board reported

**Discussion:
Revenue
enhancements
concepts,
registration fees
& rental fees**

that the Statewide Transportation Improvement Program (STIP) is pretty big and referred to page 7 of his handout. **Mr. Manning** stated that Idaho is the fourth fastest growing state in the nation and expect our population to increase by 58% in the next 20 yrs. Over the past 10 years traffic has increased 99%. International competition for construction resources is causing and increase in construction costs. The demand is up, costs are up and income is nearly level. In order to try to be efficient, the department has cancelled all building construction, i.e. sand sheds; cut equipment purchases; and implemented employee hold backs. The department doesn't just build highway, they also run the system which entails four areas: operations, preservation, restoration and expansion. Operations consist of road repair, snow plowing, sanding, signaling, pavement marking, maintenance, bridge inspections, emergency response, etc. Operations costs for FY07 were over \$132 million, which is over half of the state revenues. Preservation extends the useful life of the investment made in the system and keeps it useable. Restoration - the life of an asset that reached its full useful life. Expansion - rebuilding roads and bridges with added capacity. The projected CEC of 3% plus increases in health insurance is approximately \$6 million. If there isn't new money for those increases, they will have to take it out of their budget. Operations costs will be \$5 million more in the coming years. Replacement of materials is expected to increase to approximately \$12 million more each year. By 2012 we will be unable to match all of available federal funds for future construction, if we don't have new revenue sources. They only get 57% from registrations and fuel taxes after the funds go through the highway distribution account. They will continue to be as efficient as they can and use taxpayer dollars as best as possible. It is an ongoing process and they will operate as efficiently as possible. We are no longer in local competition, we are now in an international competition and are underfunded to do what needs done. We need to Invest in our future and accommodate growth in the economy, but the longer we wait, the more it will cost us.

**GOVERNOR'S
TRANSPORTATION
FUNDING
INITIATIVE**

Clete Edmunson, Governor's Transportation Representative stated we need to invest in our roads and Governor Otter has been out front saying that from the beginning. **Mr. Edmunson** stated the governor has two major goals: the continued appropriation of GARVEE funds for large programs of \$134 million and a three year buildup of \$200 million for additional revenues to help with the STIP. The governor feels that all that use Idaho roads should come to the table. Mr. Edmunson talked about the fee structure of a two year revenue shift of Idaho State Police (ISP) and the increased registration fees for all vehicles as a source of revenue.

Mr. Edmunson said the number one goal is GARVEE as we need the full \$134 million to help with large projects. **Mr. Edmunson** said another possible source of revenue are local option taxes, however there will not be legislation from the governor's office regarding this. Currently 5% of the revenue generated by the fuel tax goes to ISP. That doesn't pay for all of ISP operations, but it does represent 38.2% of ISP's total funding. This would be replaced with revenue from the General Fund over a two year period. Another proposal from the governor is a rental car tax, which would institute a \$4.00 user tax on the daily lease or rental rate on short term leases throughout Idaho. These funds would go straight to

the state highway account and fund contract construction and right of way purchases. **Mr. Edmunson** said the governor is proposing an increase of vehicle registration fees. Currently registration fees differ by the age of the vehicle. The governor believes the tax structure should be simple and believes it should be a flat fee \$150 across the board, which will raise approximately \$134 million by the end of the third year. In looking at this they asked what do surrounding states charge, as they want to be fair to Idaho and be equitable to surrounding states. Not including Ada county, the rest of Idaho is currently averaging 46th in the nation. After Idaho would go to a \$150 registration fee, the rest of ID, not including Ada County, will be 23rd. When looking at all of taxes that users have to pay currently Idaho is 30th in the nation. With the new rate, Idaho will be 15th. **Mr. Edmunson** said again, the governor will not bring forth a proposal as yet on truck registrations, however he believes this element needs to be addressed. The Governor is asking for \$50 million, with \$22 million of that for light trucks and the rest on heavy trucks. They want everyone that is using our roads to come to the table and contribute. The Governor is committed to be a leader on this and feels we need to reinvest in infrastructure and will step out and lead, but he can't do it alone. Bottom line reinvesting in roads is the right thing to do.

At this time, Chairman McGee asked Sen. Keough and Sen. Corder to address their proposed legislation on light trucks. Sen. Keough referred to their handouts and the chart that shows the proposal that was outlined by Mr. Edmunson, plus the truck proposed fees. The second piece of their handout is a graph prepared by ITD showing truck income, where revenue neutral line was settled and where truck income is today. On page 3 of their hand there is an update of highway cost allocation studies. This shows the relationship of "fair share" cost of road maintenance and which classes bear those costs. **Sen. Corder** covered the light truck fees. The proposal suggests replacement of the current tiered system for trucks 80,000 lbs. and above, to a simple flat registration fee per unit and \$.045 per mile surcharge, which would bring in a total of \$35 million for heavy trucks per **Sen Keough**. **Sen. Corder** said what they sought to do in trying to find a solution was to find the middle ground. In registration for trucks where is the middle ground? Currently we have different classifications within this weight class of two separate charges. They started with \$150 and established steps, with each step being a different percentage % per step, with no apparent logic on how it was arrived at. They proposed applying new fee schedule, found on page 3 of RS17945. This would represent over \$22 million in new money. They took three classes of vehicles and combined them in the RS with an equitable, evenly applied rule.

At this time Chairman McGee opened up the meeting to questions and answers.

Rep. Hagedorn asked Mr. Edmunson with the GARVEE funds of \$134 million for new highway funds and with the registration increase to \$150 per car, his charts indicate that puts us at a little higher than the middle of pack. Do we know what the highway distribution account revenue is for other states? In other words, is it the same income as Idaho and are we comparing apples to apples when comparing our registration fee to for instance Oregon fees. **Mr. Edmunson** said he is not sure. **ITD Director**

Lowe said that she doesn't have the specifics with her, but they looked at what other states fees are. Idaho is in the minority in relying on federal and state gas taxes, and registration fees. Most states have other fees, whether sales tax revenue, mineral extraction fees and if we factor in all other income we are actually lower.

Rep. King addressed Mr. Edmunson and stated she is not satisfied with putting all of the burden on registration fees, as some people are older and drive very little. She asked Mr. Edmunson to tell us why the Governor thinks this is a good idea or why not do a gas tax. Mr. Edmunson said the Governor believes in a two-prong system: registration fee gets the car on the road and the miles you travel is the gas tax. Those that only go ten miles to church are not paying much gas tax. **Rep. King** asked why not raise the gas tax as she thinks it is fairer to charge per mile for seniors. **Mr. Edmunson** stated the Governor is philosophically opposed to gas tax and he believes that 60% of the public are also opposed.

Rep. Ruchti asked Mr. Edmunson what were the poll questions asked in relation to both fuel tax and registration fees. **Mr. Edmunson** said he would have to look through his papers and see if he has those with him.

Sen. Corder said that he would like to answer Rep. Hagedorn's question as to the government comparisons. **Sen. Corder** said the conclusion is assuming the same vehicle is driving the same number of miles per year, so it is an accurate and fair comparison. **Rep. Hagedorn** said his point is that every one of the states on the chart has their own method of highway distribution account and registration fees could be much lower. So, comparing registration fees to registration fees in all states may not be comparing all funding streams into that account. **Sen. Corder** said there might be other ways they fill the bucket and they may be doing that. The reality is that before a \$150 price tag our rating in the same states was well below the mid-point and that's a good comparison. Drive in any direct and you can see they have better roads then we do.

Mr. Edmunson stated he found the poll questions to answer Rep. Ruchti's question. Mr. Edmunson read the poll questions, which in essence were: Idaho has not increased its gas tax since 1996. Do you oppose or agree with an increase of the gas tax for maintenance. 72% were opposed. Idaho's vehicle registration is among the lowest in the nation. Do you favor raising vehicle registration fees? 58% favored.

Rep. Hart said that the table from the State Tax Commission shows sales tax generated in Idaho from auto sales is about \$180 million. Has the Governor looked at taking any of the sales tax from auto-related sales and redirect it to this use. **Mr. Edmunson** said he had not looked at it too closely, but it was brought to the Governor, whose take on it is, they are having a tough time transferring \$16 million for ISP out of the General Fund, but it is something to look at. Mr. Edmunson said the Governor is laying this stuff out here and trying to lead, so if have ideas to bring them forward.

Sen. Little asked about preservation. What happens if a mile of highway overlay gets critical and if we don't do anything in the next two years,

what's the net cost downstream. **Mr. Manning** stated that if we delay maintenance, according to a study done about 25 years ago, it increases our cost about 2.5 times. By having a series of chip seals and delay the time when you have to do rehabilitation, you can extend the life of pavement surfaces. **Sen. Little** asked if three years ago we were at \$200 million and if it costs 2.5 times more, at what point in time are we behind \$400 million. **Mr. Manning** said it would be hard to estimate, as it includes all jurisdictions. He said to realize they are doing chip seals and ongoing maintenance which extends the life of pavement surfaces, but at some point it could reach that point if not careful. At this point, the pavement conditions rating is at about 20% that are substandard. **Ms. Lowe** said they have done analysis on this and can get specifics to the committees, but without an infusion of funds the deficiencies in pavement surfaces will grow.

Rep. Mortimer complimented **Ms. Lowe** and ITD on the significant savings they looked at and found. **Rep. Mortimer** asked Ms. Lowe when was the last time a performance audit of ITD was conducted and he said that he wanted to distinguish a performance audit from a financial or federal compliance audit. **Ms. Lowe** thanked Rep. Mortimer for the compliment and stated they are proud of their savings. **Ms. Lowe** said that she can only address the audits that she's aware of: Legislative Services performs audits on ITD and look at how they handle projects; ITD has their own internal auditing; the Federal Highway Administration and Federal Safety Administration look at how they spend the money they receive. She stated when they compared the 50 states with how they spend money, Idaho has come out in top ten. **Rep. Mortimer** said with what has been explained to him, he has determined the audits currently being done are financial audits, not performance or compliance audits, specifically on performance and how well they are doing their duties. From what he could find out, that is not being done and he would like to have that confirmed. **Ms. Lowe** said there are components that are performance audits; what they are accomplishing with the money and ITD welcomes scrutiny on what they are doing and is happy to hear input and make changes. **Rep. Mortimer** complimented Ms. Lowe and said he believes that is the case, that she has an open door policy and is trying to get as much money onto Idaho highways.

Rep. Roberts directed his question to Mr. Kempton. **Rep. Roberts** said going back to years past they had the methodology of charging fuels tax on a per gallon basis. It started out with the price of fuel fairly steady and then it was rased in various years to keep up with costs. The committee has been given information that shows as miles per gallon increased on vehicles, the revenue stream is deteriorating because of good economy. The revenue stream to fund highways, maintenance and operations costs has flattened out. Was there any discussion about changing the methodology to value taxes on fuel instead of volume tax on fuel. **Mr. Kempton** said it was addressed in terms of suggesting that something other than taxes on the basis of gas by the "bucket" should be considered, it should be based on an energy basis. **Rep. Roberts** said if the tax is based on energy equivalence, doesn't supply and demand equate that to a value. If the cost is for so many BTU's of energy, it should remain fairly consistent because technology fill in based on value. Also relates to use of electricity. **Monte McClure**, ITD Board Member,

said that as he recalls from the forum, it wasn't the value of energy but dollar value of the product being sold. The forum came up with 7% tax on fuel at the distribution level and he recalls the discussion, but not the details. Tax on energy was discussed too, as gasoline and diesel are eventually going to be used less and less use, because of efficiency of other types of fuels. **Rep. Roberts** commented that it seems as we move down the road of technology, it makes a lot of sense to put a tax on the value of the energy source instead of per gallon basis or some on registration fees. He further said, however, if we are going to try to fix the problem for the long term, it seems it needs to be based on value instead of volume base. We are going into a highly volatile price system and there is the need to have a combination of the two. **Mr. McClure** said he is not sure completely he is understanding, but in his opinion the only fair way to charge people for driving on our roads is both registration fees and the other half is some sort of mileage charge. This allows the seniors who drive to church once a week a charge for putting their car on the infrastructure to drive and then a system to track and charge for the miles driven on the highways per year. **Mr. McClure** said it doesn't make any sense to him why a driver should get a break for driving a vehicle that gets 50 mpg over a driver whose vehicle gets 30 mpg, as they are both still driving on the road system. In his opinion the driver should be charged for the number of miles driven on the highway per year and get away from the number of gallons, BTU's, etc. **Rep. Bedke** said in coming back to the population is growing and how if we could capture that in a road tax, our problem would be solved. What is the best way to peg the growth in economy for transportation revenue in his opinion? Other than every car having a system to have something sent into central government the usage, is there a better way to capture that and establish a new method, and what would that method be? **Mr. Kempthorne** said there are three ingredients to use: types of mileage; weight; and energy. Work with those ingredients to find out how to assess fair and reasonably and collect taxes among those three elements. **Mr. Kempthorne** said as odd as it sounds, the employment side of the number of miles expected to be driven is one of the projections being used. He said that generally you have three physical elements to work with and you can use them any way you want, but will need a collection system to collect the data. **Chairman Wood** said there are sales taxes on new cars auto parts, plus gas taxes and registration fees. She has a problem that all of that tax money goes into the general fund and she thinks it should all be in transportation because it's related.

Chairman Wood said that she was interested in the ISP funds and the money the Governor wants to take from transportation and put into the general fund. She asked Mr. Edmunson about the matching funds the state receives from the federal government for inspection on vehicles and if that is incorporated in the \$8.5 million each year going back into the general fund or is that amount left somewhere else in ITD? **Mr. Edmunson** asked Mr. Wade Hammond if he could assist with the question. **Mr. Hammond** said we receive federal funds to use in some sort of matching fund request on a state level and he believes it is included in the \$8.5 million and the Governor believes it needs to be marked not just for ITD but in cooperative construction. **Mr. Manning** said the money to ISP is restricted by the constitution for highway maintenance or supervision, and if it falls into the supervision category,

we can use the money that flows through those sources, i.e. registration, etc., for matching funds. **Chairman Wood** asked if it is part of the money being taking out of ITD, are we ok. **Mr. Manning** stated it wouldn't make any difference, as the federal government doesn't care where we get the money from.

It was asked if all of the state vehicles are exempted from registrations, license fees and sales tax. It was noted that state vehicles are believed to be exempt from state fuel tax, but someone would have to ask the tax commissioner to be sure. It was asked, if that is the case to please provide exactly the total dollar figure resulting from those exemptions. **Sen. Geddes** stated it would be an interesting aspect to look at, because publicly owned vehicles traveling on our public highways do as much damage as private cars and may be worth looking at as a stopgap measure to generate revenues.

Sen. McGee thanked the presenters and stated as a reminder not, because this was not a print hearing, the RS's are property of the drafter and anyone wanting a copy would need to contact the drafter.

ADJOURN:

Chairman McGee adjourned the meeting at 3:42 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary

MINUTES

HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: February 28, 2008

TIME: 1:30 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Roberts, Bedke, Wills, Moyle, Nonini, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

**ABSENT/
EXCUSED:** Representatives Wills, Nonini, Shepherd(2)

GUESTS: See attached sign-in sheet and highlighted presenters below.

**CALL TO
ORDER:** **Chairman Wood** called the meeting to order at 2:05 p.m.

**APPROVAL OF
MINUTES:** **Rep. Ruchti** made a motion to approve the minutes of February 14, 2008 as written. **Motion approved** by voice vote.

Rep. Ringo made a motion to approve the minutes of February 20, 2008 as written. **Motion approved** by voice vote.

H 527 **TERMS OF BOARD OF HIGHWAY DISTRICT COMMISSIONERS: Erik Makrush**, Legislative Assistant for Idaho Association of Highway Districts (IAHD), said he was present today in place of Stuart Davis, Executive Director of IAHD. **Mr. Makrush** stated they determined after talking with Rep. Nonini regarding this proposed legislation, to request this bill to be held in committee this year and they will bring it up next year. Chairman Wood said this had been conveyed to her by a letter.

MOTION: **Rep. Mortimer** made a motion to **hold H 527 in committee at the sponsor's request. Motion approved** by voice vote.

H 363 **INCREASE OF LICENSE PLATE FEES: Amy Smith**, Idaho Transportation Department, ITD, said they originally requested a license plate fee increase from \$3.00 to \$4.00, but after several meetings, they are also requesting to change from a seven (7) year plate cycle to a ten (10) year plate cycle, on license plates issued on and after July 1, 2008. The offered amendment also changes the numerals and letters on license plates from blue to black, in order to accommodate the new digital printing process. **Ms. Smith** reminded the committee that currently ITD retains \$2.50 from the license plate fees, while .50¢ goes to the Idaho Heritage Trust Fund for copyright use of the red, white & blue background. **Ms. Smith** said the fees for license plates are deposited into a plate manufacturing account, which is continuously appropriated for plate manufacturing and handling costs to Correctional Industries. **Chairman Wood** said she will take a privilege and note to the committee that the same plate account Ms. Smith just talked about also applies to ATV license plates. **Rep. Bedke** asked Ms. Smith to further explain about the change of ink from blue to black. **Ms. Smith** said that with the new

digital print process, the numbers and letters are black, where the embossed plates were roll coated with blue paint. **Rep. Hagedorn** said we could better classify the color of the old plates as navy blue and it is now going to a flat black. **Ms. Smith** stated the costs of manufacturing license plates has continued to increase and fees have not kept pace. They recently went to the digital print method to avoid a larger increase with the old method. This process also allows for six spaces on specialty plates versus five spaces on the embossed plates. In short, this change will increase the cost by \$1.00 on license plates and they will be on a ten (10) year plate cycle versus a seven (7) year plate cycle.

MOTION: **Rep. Smith(24)** made a motion to send **H 363** to General Orders with amendments attached.

Rep. King asked Ms. Smith if someone moved from one county to another county, would it be ten (10) years before they have to get a new plate. **Ms. Smith** said you do not have to change your license plate to the county you reside in. If you do have a license plate from a different county than where you reside, when you renew you may go to the county where you reside to purchase your new plate. **Rep. Hart** asked Chairman Wood for clarification on whether this bill is related to ATV's. **Chairman Wood** said it is not, she wanted Ms. Smith to read the plate account information to the committee, so they have that information as it will also apply to the ATV bill.

There being no further discussion, the Chairman called for a vote. **Motion approved** with voice vote.

Chairman Wood thanked Correctional Industries Director Reinke for being at the meeting.

S 1359 **RANGELAND SPECIAL LICENSE PLATES: Stan Boyd**, Idaho Wood Growers Association, passed out a brochure on the Idaho Rangeland Resource Commission (IRRC) and picture of the proposed new license plate, which commemorates the state's rangelands. **Mr. Boyd** introduced Gretchen Hyde, Director of IRRC. **Ms. Hyde** briefly reviewed the activities of IRRC and stated their funding has been consistent, with 4,000 contributing annually. **Ms. Hyde** said that nearly half of Idaho is classified as rangeland, with 80% publicly held. All activities of IRRC have taken the approach of multiple use and working with other groups. Their annual budget is less than \$200,000 and has remained steady the past several years. **Chairman Wood** thanked Mr. Boyd and Ms. Hyde for their presentation. **Chairman Wood** said that even though she is supportive of them, she will vote nay, as she does on all special license plates legislation.

MOTION: **Rep. Hagedorn** made a motion to send **S 1359** to the floor with a "Do Pass" recommendation. Voting "nay" were **Chairman Wood** and **Rep. Smith(24)**. **Motion approved** by voice vote.

S 1389 **MOTOR CARRIERS TRANSPORTING WET CONCRETE: Sen. Leland Heinrich** presented **S 1389** to the committee and stated that under current state law most commercial trucks are subject to safety compliance laws by the Idaho State Police (ISP). This proposed legislation would remove the exception for intrastate trucks transporting concrete and will make them

subject to safety inspections. Anyone who comes across state lines has to comply with these rules and this legislation will provide uniformity among all wet concrete trucks and allow ISP to conduct a more comprehensive safety inspection. **Chairman Wood** noted the only change is on page 2, line 18, with the addition of "wet concrete" to those motor carriers not exempt. **Rep. Mortimer** asked Sen. Heinrich to explain why we are or are not putting this specific category back in for inspections. **Sen. Heinrich** said there was a horrendous accident and there are two widows from Grangeville here today who will explain that. **Rep. King** asked how often do inspections of concrete trucks occur? **Sen. Heinrich** said there will be no change in the existing performance of what ISP currently does. ISP currently has 21 officers certified to conduct these inspections throughout the entire state, so they are spread very thin. **Sen. Heinrich** said, in his personal opinion in visiting with ISP and those at ports of entry, this will give them a better opportunity if they catch someone at a port of entry, so they can make an appointment to make a more thorough inspection later. It will also give ISP the opportunity to do all of the inspections the same. **Rep. King** asked if these vehicles are randomly inspected and at what time frame? **Sen. Heinrich** said his understanding is that most inspections are done at roving ports. **Reymundo Rodriguez**, Commercial Vehicle Services Manager for ITD said that in order for vehicles to be inspected, they must travel by an open port of entry or roving site. **Mr. Rodriguez** said they don't categorize their inspections and if they can, they do a walk around, not a detailed inspection. **Rep. Hart** asked Sen. Heinrich that assuming trucks don't stop at inspection stations, isn't there another program where they would be inspected on a scheduled basis at a concrete yard? **Sen. Heinrich** said this bill will allow that; if run across a port of entry and need to do a more thorough inspection, this legislation allows them to go to the premises to do that. **Chairman Wood** stated she knew of a bad experience years ago where a truck was put out of service; he couldn't sit there with wet concrete in the truck and it was dumped in the port of entry yard. It was asked if officers were to stop a concrete truck with a load on, would they allow them to deliver the product to their destination and then possibly put them out of service if needed. It was noted that ISP had some experience with that and were aware they are liable through civil suits if they allow concrete on trucks to spoil. **Julie Pipal**, ITD, said she wanted to clarify that cement trucks are already subject to Idaho code and required to stop at ports of entry. This proposed legislation just changes the type of inspection that can be done on these types of vehicles only. **Rep. Bedke** asked what is the difference between the types of inspection. **Ms. Pipal** said she didn't have all of the section of code on compliance required, but did have the listing on what is already required. **Chairman Wood** asked if there is a noticeable difference in the inspections. **Mr. Rodriguez** stated that ISP does more thorough inspections, i.e. getting under the vehicles, etc. The port of entry doesn't have that ability and do a walk around inspection and check paperwork. **Mr. Rodriguez** said this legislation will allow ISP to do inspections not allowed previously and passed out a letter from Captain Lamont Johnston, ISP outlining guidelines if this legislation is passed. If ISP sees an imminent hazard they will stop the vehicle and call the company to let them know what is going on. If they don't observe an imminent hazard, they will follow the vehicle to the site, allow it to unload and do the inspection then. ISP is cognizant that this is a perishable product. **Rep. Mortimer** said he is not sure he understands what differences in the two inspections this legislation will actually bring. **Sen. Heinrich** said there are four main things that will be different with this legislation: 1) compliance with random drug

testing of drivers; 2) compliance with the hours of service; 3) a definitive regulation on brakes, as current Idaho code only says these vehicles must have working brakes and under federal regulations there are minimum guidelines; and 4) more specific out of service criteria for tires.

Julie Stevens and **Cynthia Onthank** addressed the committee and relayed the events of March 15, 2005 which resulted in a horrible accident that left them widows. Their husbands' work vehicle was hit head-on by a fully loaded cement truck with a blown tire. Subsequently, they learned the tire that blew out was approximately 19 years old and had 15 year old recap on it and would never have passed an inspection. These types of vehicles are large, unsteady by their nature and it only makes sense that for the safety of everyone, they should be inspected to be sure they are safe. Ms. Stevens and Ms. Onthank thanked the committee for letting them come and speak in honor of their husbands and in support of this proposed legislation.

Chairman Wood thanked Ms. Stevens and Ms. Onthank for their testimony to the committee.

Sen. Joe Stegner said that section 3 of the bill talks about the penalty involved and what happens if they are assigned a period of time to correct the problem. If they don't, they are fined \$100 for that failure and he noted this is not a heavy handed piece of legislation. **Sen. Stegner** said it is unbelievable that they exempt all of the vehicles listed under section 2, i.e. school buses, but they are here talking about cement trucks. The unique character of cement trucks makes them unsafe, as they are very top heavy and subject to tipping over easily and then you add the torque of a moving drum. So in his mind, it is incredible that the state exempts them from a relatively minor safety inspection. **Sen. Stegner** read portions of the letter from Captain Lamont Johnston, ISP that describe the activities of ISP and how they conduct these inspections and stated they have assurances from ISP that they know how to deal with these kinds of loads. **Sen. Stegner** said if there is an amendment effort to this bill, it may actually wind up exempting concrete trucks from any kind of immediate inspection and create the opportunity for the kind of tragic accident we just heard about. **Rep. Bedke** asked at this point, if cement trucks were taken off the exception list, is there any threshold of probable cause for ISP to pull them over or if they see a wet concrete truck coming can they pull it over. **Sen Stegner** said he thinks ISP has the authority if they want to do that. **Chairman Wood** said that her understanding of the state law is there has to be probable cause to pull someone over on the side of the road. **Mr. Rodriguez** said that is correct, other than random inspections at a port of entry, they have to have something recognizable to pull them over.

Skip Smyser stated he is speaking in support of this legislation today on behalf of the Idaho Trucking Association (ITA). **Mr. Smyser** said the ITA Board of Directors asked him to come, as this is an issue of safety. **Mr. Smyser** said the committee should look at the current exemptions in this code, as it makes no sense to have unsafe vehicles, especially school buses, on the roads. **Mr. Smyser** urged the committee to pass this legislation, as it is not an undue burden to put on the trucking industry. **Chairman Wood** said that her school district does have an inspection system performed on buses

before they go on the road. Her daughter is a school bus driver and she has to pass a rigorous test.

MOTION:

Rep. Hart made a motion to send **S 1389** to the floor with a “**Do Pass**” recommendation.

Rep. King asked about an amendment to this legislation. **Rep. Hagedorn** stated that he is confused at the way it is written. Paragraph 2 lists the vehicles they are not going to inspect and then in the center of that paragraph we say, “except for” and wondered why not strike “petroleum products.” **Sen. Heinrich** stated it is confusing and is actually written as a double negative. **Rep. Roberts** said this is an exception to an exception. Page 1, line 22 contains a list of exceptions and of those exceptions, you have an exception. **Rep. Roberts** said we could strike the language on page 2, lines 17, 18 and 19 in entirety and accomplish the same thing. **Sen. Stegner** said that in the past at some point, wet concrete was deemed to be mined or an aggregate product and that is the reason it is under that exemption. **Rep. Bedke** said he agreed to present an amendment to this bill, and will defer to the other three (3) sponsors. **Chairman Wood** read the amendment to the committee. There was discussion about concerns regarding stopping trucks on the road when they have loads to deliver, and having planned safety inspections at an agreed upon time and place for all of the firms’ vehicles versus a hit and miss inspection on the roads. **Sen. Heinrich** said his understanding is that if we do this change, ISP will have authority to go to the premises and conduct inspections on vehicles over 24,000 lbs., where under current code they do not. **Ms. Pipal** said that is correct, but that the amendment doesn’t accomplish what the proposer wants it to do. **Rep. Bedke** said if you have ten (10) trucks and allow them to be inspected in a semi-random process, this amendment process allows them to go to yard and inspect all ten (10.) **Sen. Stegner** said his concern with adding the amendment is it prohibits the inspector from making any kind of “for cause” inspection on a road, which is an unsafe condition. He further stated whether it allows it or not, the implication is that it is the law and allows them to be misinformed about the laws. **Sen. Stegner** asked if we are allowing unsafe conditions to go on because of this amendment and that he doesn’t see where it is worth the risk to add the amendment. **Rep. Roberts** said the intent of the amendment is to first of all inspect trucks, which is everyone’s goal, and provides the benefit of being able to capture an inspection of all vehicles at one time. **Sen. Stegner** said the bill as written gives ISP the authority to do that, in addition to “at cause” stops. **Rep. Roberts** commented that as a co-sponsor, there’s been some input from the industry about timing of pour deliveries and in continuous pour situations at certain construction jobs. If they are in a continuous pour situation and a truck or trucks are pulled out of sequence, it can cause crack lines in the concrete, etc. **Rep. Hagedorn** asked Rep Bedke if it might be putting more of a burden on ISP’s ability to conduct inspections in the amendment by saying, “... shall be conducted at a time and place agreed upon.... “. **Rep. Hagedorn** said his understanding is that under current law if this changes they would have the ability to go into yards and inspect trucks, but with the amendment we would be requiring the inspectors and commercial vendors to agree on a time and place of inspection and may be tying the hands of ISP more than we intend. **Rep. Bedke** said we are all for safety and good government, and asked if changing “shall” to “may” would relieve that burden from ISP and not weaken the intent here. **Sen. Heinrich** said if we changed “shall” to “may” he thought ISP would be comfortable with the amendment. **Rep. Bedke** asked Sen. Heinrich if this proposed legislation was sent to general orders and the amendment reads “...may be conducted..”, is that alright with him. **Sen. Heinrich** said everyone is trying to

do the right thing. **Rep. Bedke** asked Sen. Stegner the same question. **Sen. Stegner** said if that's what the House wants to do, he is not in a position to suggest otherwise and if that will move the process along and get the bill back on the Senate side, that is fine. **Sen. Stegner** said he can't leave without suggesting that is what the bill does in its original form anyway and is a redundancy he finds unnecessary, but to do it if it comforts committee. **Chairman Wood** stated that it is our responsibility to make sure it is clear and in her opinion, the amendment makes it clear to who is doing the job, who is inspecting the truck, and to the company owner. **Rep. Bedke** said he will not make a substitute motion and if the committee feels the case has not been made, then make a motion; and if not, stay silent. **Rep King** made a motion to send S 1389 to the floor with a "do pass" recommendation. **Sen. Hart** said he already made that motion.

**WITHDRAWAL
OF MOTION:**

Rep. Hart withdrew his original motion to send **S 1389** to the floor with a "Do Pass" recommendation.

Chairman Wood asked for further discussion and hearing none, asked the committee to entertain a motion.

MOTION:

Rep. King made a motion to send **S 1389** to the floor with a "**Do Pass**" recommendation. **Motion approved** by voice vote. **Sen. Roberts** will carry the bill to the House floor.

Chairman Wood said the next committee meeting will be Tuesday, March 4, 2008.

ADJOURN:

There being no further business before the committee, **Chairman Wood** adjourned the meeting at 3:28 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary

MINUTES

HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: March 4, 2008

TIME: 1:30 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice-Chairman Hart, Representatives Smith (24), Roberts, Bedke, Wills, Moyle, Nonini, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

**ABSENT/
EXCUSED:** None

GUESTS: Please See Attached Guest Sheet

Chairman Wood called the meeting to order at 3:10 p.m. due to business on the floor of the House going overtime. She asked the substitute secretary to take a silent roll while the committee read the minutes of February 12th and February 28th. Rep. Shepherd (2) moved that the minutes of February 12th be approved as written. A vote was taken and the **MOTION PASSED**. Rep. King moved that the minutes of February 28th be approved as written. The **MOTION PASSED** on a voice vote. Chairman Wood announced that the first item of business on the agenda was SB 1387 and called on Laura Johnson from the Dept. Of Agriculture to present this legislation.

SB 1387 Laura Johnson from the Dept. Of Agriculture stood to present this bill which amends the interagency working group of the Integrated Freight Transportation Program. Ms. Johnson briefly outlined the background of this program, its move to the Dept of Agriculture in 2007 by the legislature and appointment of its members. She reported that presently the Director appoints three (3) out of the eight (8) members of the working group. This bill would allow the Director of the Department of Agriculture to designate one of his appointees to the interagency working group as co-chairman of the group.

MOTION: Rep. Ringo made a motion to send SB 1387 to the floor with a **DO PASS recommendation**. A voice vote was taken and the **MOTION PASSED**. Rep. Wood will sponsor this bill on the floor of the House.

HCR 52 Rep. Eskridge took the podium to present this legislation which he described as an effort to help Idaho's disabled veterans by providing a waiver of campsite fees in Idaho State Parks. Rep. Eskridge explained that this would be a three (3) year pilot program in which fees are waived for a disabled veteran whose service-related disability is rated at

fifty (50%) to ninety (90%) percent permanent total disability. He related that a waiver of fees is already in effect for those at 100% disability. Rep. Eskridge discussed the formula which the Dept. of Parks and Recreation has used in projecting a fiscal impact estimated at \$40,000. He then deferred to Bob Meinen to answer technical questions.

Robert Meinen

Bob Meinen, State Director of Parks and Recreation, stood to voice his support for this bill. He cited the importance of recognizing Idaho's veterans and reported that the Dept. projects participants to be around 50%. He discussed the handicap facilities available now and indicated that if this program is successful, handicapped campground spaces could be increased to accommodate the need. Mr. Meinen noted that the Dept. anticipates making up any losses through the budget and pointed out that there is a cap of \$300 per year. He reiterated that this would be a three year pilot program and the Dept. must provide a yearly report to the Legislature regarding the implementation, fiscal impact, and performance of the program.

MOTION:

Rep. Hagedorn moved that HCR 52 be sent to the floor with a **DO PASS recommendation**. Further discussion centered on the participation of state handicapped veterans as well as the implementation and goals of this program. A voice vote was taken and the **MOTION PASSED**. Rep. Eskridge will be the sponsor on the floor of the House.

SB 1390

Chairman Wood announced that SB 1390 would be the next bill to be heard and called on Roy Eiguren to present this legislation. Mr. Eiguren, representing the Efficient Truck Coalition, took the podium to present this bill. He briefly reviewed the background of this Pilot Project which was initiated in 2003 for a period of ten (10) years to study the efficiency of trucks on state highways. He provided each member of the committee with a map of the Idaho State Highway System showing the Pilot Project Routes for increased legal gross weights. Mr. Eiguren reported that SB 1390 makes technical corrections in Section 49-1004 of the Idaho Code to clarify the beginning and end points of the Pilot Project Routes. Responding to committee questions, Mr. Eiguren discussed collection of data, tracking mileage, weight provisions and damage to highways. He deferred to Julie Pipal from the Transportation Dept. to answer questions regarding deterioration problems on State Highway 78. Ms. Pipal indicated that an assessment of the problems, along with traffic information and safety issues would have to be made. She was also questioned regarding damage on the road going through Twin Falls. Ms. Pipal stated that an engineer would need to look at those problems to make a determination. Mr. Eiguren stood again and

clarified that the blue lines on the map represent proposed pilot project routes. He concluded by explaining that the purpose of the 129,000 lb. Pilot Project is to allow trucks of this size to operate on selected portions of Idaho highways to gather data, analyze and determine impacts to roads, bridges and highway safety.

MOTION: Rep. Bedke moved that SB 1390 be sent to the floor with a **DO PASS recommendation**. Following further discussion, a voice vote was taken and the **MOTION PASSED**. Rep. Smith (24) wished to be recorded as voting "No". Rep. Bedke will present this bill on the floor of the House.

HB 565 Rep. Nonini took the podium to present this legislation which is designed to protect certain riparian or littoral rights by specifying that those rights will not be lost by virtue of right-of-way deeds or easements on a property, subject to certain limitations. Rep. Nonini explained that a number of disputes have arisen in northern Idaho regarding easements or right-of-way deeds because dock permits are being denied. He reported that the Idaho Transportation Dept. (ITD) has taken the position that the owner gave up their rights when they signed a Deed of Trust granting an easement or right-of-way. Rep. Nonini expanded on background of this problem, saying it goes back to pre-1900's when roads there were only "goat trails" along the lake. He also related that before March 4, 1953, any right-of-way was in the form of an easement and after March 4, 1953, a the right-of-way was written in the Deed of Trust but emphasized that the property owner did not give up their riparian or littoral rights. Although a lawsuit is in progress on this matter, Rep Nonini stressed that passage of this bill would not affect its outcome as a ruling is expected this spring and if this bill is passed, it would not go into effect until July 1, 2008. Responding to committee questions, Rep. Nonini stated that dockholders have tried for two (2) years to work with ITD without any progress. He related that there is no consistency in the issuance of dock permits and that approximately 100 to 150 dock holders along a 25 mile stretch of road on Highway 97 are affected by this controversy, although there are some in other areas. Further discussion centered on the responsibility of the ITD, road right-of-ways, and if property rights were forfeited when the property owner signed an easement or Deed of Trust. Rep. Nonini stressed that this bill is needed to provide direction to ITD and to help those who are experiencing the uncompensated taking of their private property.

John Eaton John Eaton, representing the Idaho Association of Realtors, (IAR) testified in support of HB 565. He described this as a private property issue which has caused tremendous problems in northern Idaho. Mr. Eaton pointed out the problems people have encountered in trying to obtain a clear title in either buying or selling the affected property. He

affirmed that it is the position of the IAR that this bill is needed to provide clarity and help clear up these problems.

Julie Pipal

Julie Pipal, legislative liaison for the Idaho Transportation Dept. (ITD) took the podium to testify on HB 565. She provided each member of the committee with a copy of her testimony (**See Attachment**) and explained that she was there only to give information, not to testify either in support or against HB 565. Ms. Pipal also reported that because of the lawsuit she is unable to provide specifics in that matter. However, she testified that passage of HB 565 would likely complicate the judicial process as a resulting constitutional question would have to be answered; namely, can contracts transferring property rights be changed 55 years or more after the sale? Ms. Pipal noted that ITD would seek to ensure the safety of the traveling public and seek to limit the liability of the state in the agreement with the permittee. She stressed that third parties are not subject to limited liability agreements, only the parties involved in the agreement. Ms. Pipal related that ITD's position is that property rights are transferred with the deed.

The committee proceeded to discuss the evolution of this problem with the affected lakeshore areas, the issues of riparian rights, eminent domain, variances, the negotiations going back to 1953, and the involvement of the ITD. Rep. Nonini's closing comments stressed that property owners did not give up their private property rights when they granted an easement across their property. He reiterated that ITD has not been willing to work with those involved and have interfered in their personal property rights. He urged the committee to pass this bill to help protect the personal property rights of riparian areas by clearly defining those rights in code.

MOTION:

Rep. Hart presented a motion to send HB 565 to the floor of the House with a **DO PASS recommendation**. Further committee discussion ensued and Carl Vogt, lead counsel for ITD was asked to stand.

Carl Vogt

Mr. Carl Vogt, lead counsel for ITD took the podium to answer legal questions presented by the committee regarding littoral rights and property rights. Mr. Vogt responded that the issue is how those rights are interpreted and if those rights are transferred with the deed.

Chairman Wood called for a vote on the motion. A roll call vote was requested. The **MOTION PASSED** by a vote of 7 to 4 with 2 absent at the time of voting. Rep. Nonini will sponsor this bill on the floor.

SB 1388

Senator John Goedde presented this bill which expands the monetary limit for the Rural Economic Development and Integrated Freight

Transportation Revolving Loan Fund from \$25,000 to \$100,000. Sen. Goedde reported that in the last session, the Idaho Legislature expanded the Revolving Loan Fund to include a matching grant for planning and development of intermodal commerce authorities. He explained that funding for the grant would come directly from the dedicated fund and thus, would have no fiscal impact to the state. Senator Goedde discussed the potential projects, noting that three (3) are already underway in the Burley area. He elaborated further that raising the cap to \$100,000 provides the money necessary to proceed with the planning process in an efficient manner.

MOTION: Rep. Bedke made a motion to send SB 1388 to the floor of the House with a **DO PASS recommendation**. A voice vote was taken and the **Motion Passed**. Rep. Wood wished to be recorded as voting "No".

ADJOURN: Chairman Wood thanked all those who participated in the meeting and advised the committee that legislation involving ATV's would likely be heard at the next meeting. Having completed all business on the agenda, the meeting was adjourned at 5:15 by Chairman Wood.

Rep. JoAn Wood, Chairman

Sherry McNett, Substitute Secretary

MINUTES

HOUSE TRANSPORTATION & DEFENSE COMMITTEE

DATE: March 6, 2008

TIME: 1:30 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith (24), Roberts, Bedke, Wills, Moyle, Nonini, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

**ABSENT/
EXCUSED:** Rep. Roberts, Rep. Moyle

GUESTS: Dean Sangrey, Tom Glass, Steve Frost, Troy Elmore, Colby Cameron, Amy Smith, Linda Emry, Mike Arnell, William Boehm, Cory Smith

Meeting was called to order at 2:10 p.m. by Chairman Wood.

H 581 **Rep. Leon Smith** presented **H 581**, testifying that this bill is the result of efforts to respond to the Governor's request for a solution to transportation funding. Rep. Smith said H 581 will limit the state's debt service to 20% of the federal authorization amount each year, but will allow that 20% figure to increase with legislative approval. He said the projected expenditures for this year will still fall under the 20% cap. H 581 will also require the Idaho Transportation Department to provide specific information, including a specific dollar amount and a detailed plan for each project's completion, for projects to be financed with GARVEE bond proceeds each year. The Legislature can then either accept or reject each project as it is proposed by the Department.

Responding to committee questions, Rep. Smith said the Governor's only concern with this legislation was whether the current year's funding requests would still fit under the 20% cap. He said the bill does not add or subtract projects from the list of "Connecting Idaho" road projects. He noted that, in the list of road projects on page 1 of the bill, some are already built and some will never be built because they are totally infeasible.

Answering a question about STIP projects, Rep. Smith said the STIP list contains all GARVEE projects, but not all STIP projects are funded with GARVEE funding. He pointed out the language on page 2, line 6, which admonishes the Board to "balance and coordinate the use of bonding with the use of highway construction moneys." Rep. Smith was asked how many states use the GARVEE funding mechanism; he replied that he has not checked recently, but as of about 18 months ago, Idaho was the highest in the nation with the exception of Colorado.

Answering further questions, Rep. Smith said the Governor has been clear that STIP will be dedicated to finishing projects already started. All federal money that combines with Idaho funds will also be used to finish current projects. Rep. Smith clarified that this legislation does not address funding and does not change the appropriation for the six highway projects funded

last year. Rather, it puts the 20% cap in place and allows for a higher figure than 20% only with Legislative approval. The bill does not change or add road projects; those decisions rest with the Transportation Board.

Rep. Hagedorn offered a clarification, saying that all GARVEE debt service is paid from federal highway moneys, which go into the state distribution fund. As Idaho's debt service increases, the amount of federal money available to pay for projects is reduced because more of it must be used to service the debt. He said H 581 attempts to limit the amount of federal funds Idaho can use for debt service, thus assuring that necessary funds will be available for maintenance and other needs.

MOTION

Rep. Hart moved to send **H 581** to the floor with a **DO PASS** recommendation.

Rep. Smith noted that the Governor was insistent that the authority for choosing specific projects be left with the Department, with the Legislature having the authority to decide whether or not the projects go to the Governor for final authorization.

VOTE ON MOTION

Chairman Wood called for a vote on the motion. **Motion carried on voice vote.** Reps. Bedke, Wills and Nonini voted **against** the motion. **Rep. Smith will sponsor the bill on the floor.**

HCR 50

Rep. Leon Smith presented **HCR 50**, testifying that this resolution is the result of a perceived need for a performance audit of ITD. Rep. Smith said members of an ad hoc committee provided input on various concerns, based on information from the department and others. That list of concerns was submitted to the Joint Legislative Oversight Committee, who broke the concerns into four groups. Then a cost was established for doing a performance audit in each of those four groups. Rep. Smith said the list was further narrowed, and the result is HCR 50. He said the resolution requests an independent auditor from outside Idaho to report to the Legislature and the ITD Board.

Rep. Smith requested that the committee send HCR 50 to the amending order, in order to remove items (1) through (7) on page 1, lines 26-42. He also noted that, if the amendment is approved, the fiscal impact listed on the Statement of Purpose will be reduced and a new cost estimate will be generated.

A question was asked about whether a performance audit is preferable to a peer review process in order to evaluate IDT. Rep. Smith said it is the consensus of the ad hoc group that the evaluation should be done by someone from outside the state of Idaho. He said Washington State spent \$3.5 million on a study; according to Rep. Hart, the projected savings to the state of Washington, if all the study recommendations were implemented, could be over \$200 million.

MOTION

Rep. Bedke moved to send **HCR 50** to **General Orders** with committee amendments, to eliminate items (1) through (7) on page 1; **Rep. Hart** seconded the motion.

Committee discussion continued, with members in general agreement that public confidence in ITD expenditures is essential and that some type of performance review can enhance the public's perception that the department is using its funds prudently and appropriately. Some members voiced the need for accurate figures in terms of potential savings and asked that those be provided. **Rep. Smith** was asked whether he had a ballpark figure of how much lower the fiscal impact would be once the resolution is amended, but he responded that he did not have that figure. **Rep. Hart** expressed the idea that using a peer review process would not be as effective as using an external audit, since it would be similar to having one engineer review the work of another engineer. **Rep. Bedke** stated support for the effort to evaluate ITD but pointed out the need for coordination with other efforts that may be ongoing. Rep. Smith clarified that the list of concerns in HCR 50 is not in order of priority, as the resolution states on page 1, line 25. He said once the resolution is amended, the two remaining concerns will be in order of priority.

VOTE ON MOTION

Chairman Wood called for a vote on the motion to send **HCR 50** to General Orders. **Motion carried on voice vote.** **Rep. Smith** will sponsor the resolution on the floor.

H 602

Chairman Wood turned over the gavel to **Vice Chairman Hart**. **Rep. Wood** presented **H 602** to the committee. She explained that this legislation is the result of a long, multi-year attempt to reach agreement on a solution to a previous mistake in the licensing of ATVs and other off-road vehicles. She testified that at one time such vehicles were issued motorcycle license plates by the Department of Transportation. However, these vehicles do not meet federal safety standards and therefore do not qualify to receive such licenses. Rep. Wood said she had worked with both the Department of Transportation and the Parks & Recreation Department to arrive at a satisfactory solution. She said she recognizes that not all user groups will agree with the resulting legislation, but attempts were made to obtain as much agreement and approval as possible from the widest possible cross section of users. Rep. Wood also pointed out that the bill contains an agricultural exemption for use of these vehicles by farmers and ranchers on their own property. Rep. Wood clarified that H 602 recognizes the authority of counties to control the use of roads in their own areas by stipulating that all roads will be open in the county unless a hearing is held and a decision made by the county that certain segments or roads might be closed. She said this gives the local communities an opportunity to provide input into any road closure decisions.

Rep. Wills testified in favor of **H 602**, explaining that some counties have been allowed to put motorcycle plates on ATVs and motor bikes. He noted, however, that putting a plate on a vehicle is equivalent to registering it as a "motor vehicle" but these ATV's, mopeds and other like vehicles do not meet the federal motor vehicle safety standards. Therefore, these vehicles are licensed illegally, thus opening up the state of Idaho to possible future litigation. Rep. Wills said some licensing solution needs to be developed in order to allow these vehicles to travel across a state highway or to travel from one off-road area to another. A further reason to develop a plate is to provide county sheriffs with the ability to identify vehicles, should a complaint be filed. The plate that is proposed in H 602 is a black-and-white plate which will cost \$3 and which will be valid for seven years; an annual sticker will be issued to be placed on the plate. The plate will be distinctly identifiable,

making it simple for county law enforcement officers to know whether a vehicle is legally registered or not.

Rep. Hagedorn testified in favor of **H 602**, saying he had been working on this issue for at least two years before becoming a legislator. He said he works for a company who supplies utility vehicles in various states. Last year he paid \$50,000 in legal fees in the District of Columbia to try and determine what the federal requirements are for ATVs and other off-road vehicles. In that process, he discovered that Idaho's laws were not in compliance with federal regulations. He noted that the U.S. Department of Transportation is currently reviewing all state laws for compliance. If state laws are not compliant, federal highway funds may be withheld. He said both the Idaho Transportation Department and the Parks & Recreation Department have come together in agreement on this legislation. Parks & Rec will manage sticker sales, and the color of the stickers will change each year to make identification and enforcement easier. Rep. Hagedorn reiterated that the bill contains an agricultural exemption and also allows local authorities in each county to determine which roads, if any, they want to close to these vehicles.

Rep. Wills was recognized to answer a committee question about whether this would constitute a third required license for these vehicles. He clarified that beginning in January 2009, the previously-issued motorcycle license plates, which are illegal on these off-road vehicles, will expire. At that point the owner of such a vehicle will purchase the \$3 black-and-white license plate, along with an annual sticker from the Parks & Recreation Department. Rep. Wills said there will be one license plate and one sticker, which will allow the rider to travel into public areas deemed "not restricted" by local authorities. Dual-sport motorcycles, which are used on roads as well as off-road, can be licensed as motorcycles because they do meet federal safety guidelines. These vehicles will be able to buy the sticker for off-road use. Rep. Wills also pointed out that any vehicle traveling on the roads has to meet the standards in terms of having an operator's license, wearing a helmet, and so forth. He also said an agreement was made to not license any of the "toy" vehicles with motors under 50cc. Rep. Wills said the only highways controlled by this legislation are state highways and interstates.

Dean Sangrey, Division Administrator for Operations for the Idaho State Parks Department, testified in favor of **H 602**. He said his department had worked with the bill sponsors to provide technical assistance in drafting the legislation. He said the transportation department does need help in monitoring vehicles being driven on state highways, and he pointed out that access for recreational users is often inconsistent throughout the state. He said the Parks Department supports local control over how public roads are used. Mr. Sangrey said that, generally speaking, leaving roads open unless they are posted as "closed" will benefit the public.

Tom Glass, representing the Gem State ATV Association and the Idaho Recreation Council, testified on **H 602**. Mr. Glass said he is very involved in ATV activities and yet he had just learned that H 602 would be considered in committee today. Because he has not had a chance to review the bill or present it to other interested parties, Mr. Glass said he is left with two choices: either oppose the bill or ask for a delay. He said additional time would allow him to get the word out to various recreation groups and get some kind of consensus on their position. Mr. Glass said the testimony on

H 602 sounded good but he said he would appreciate the opportunity to further review it. He said that in February of this year the Idaho Recreation Council recognized the problem with licensing and misuse of ATVs. At that time they sent a proposal to the Speaker, offering to host a working group that would address licensing, access, law enforcement and several other issues, with a view to developing consensus legislation for next year. Mr. Glass said that at this point his groups are reserving judgment on H 602.

Chairman Wood said she did have some correspondence with Mr. Glass and had sought input from various recreational groups. She said some of them do not agree with the plate concept; one group expressed opposition to any license plate that is not red, white and blue.

Rep. Wills said this legislation needs to move forward because the motorcycle plates that are currently issued to ATVs and other vehicles will expire at the end of 2008. He said the committee does not consider the \$3 charge to be burdensome, even for those who are already registered on a two-year basis. **Amy Smith**, Idaho Transportation Department, was recognized to respond to a question; she testified that the code does allow a two-year motorcycle plate, and plates that are issued will be valid until their expiration date.

Some committee members expressed concern about the fact that H 602 had just been printed earlier in the day, noting that few people would have had an opportunity to read and study the bill. Chairman Wood said she had sent out the bill's content to various groups and had given a copy to Sen. Broadsword so she could distribute it to other interested parties. She said that, although the final version of the bill was just printed, the content of the legislation has been extensively discussed and studied.

MOTION

Rep. Ruckti moved to send **H 602** to the floor with a **DO PASS** recommendation. In support of his motion, Rep. Ruchti said he wanted to assure Mr. Glass and others who have concerns about the process that their comments are taken seriously. He stated that arriving at consensus had been a huge undertaking and it would be difficult to ensure that everyone felt fully a part of the process, at least to the point they wanted to be.

Rep. Hagedorn offered a clarification on Mr. Glass's comments concerning the legislation, saying that Mr. Glass's input was based on RS 18055 but that RS had been changed yesterday, and the changes were incorporated into H 602.

SUBSTITUTE MOTION

Rep. Nonini offered a substitute motion to **HOLD H 602** in committee **for one week**. He noted that the bill was just printed yesterday and if it is moved to the floor at this point, recreational users will not have any opportunity to offer input other than e-mails to individual legislators.

The committee continued its discussion regarding whether the legislation had been sufficiently vetted. **Chairman Wood** said she took testimony from various user groups and tried to meet their concerns when she crafted the bill. **Rep. Wills** stated he had been involved in discussions during the summer and fall; he said all meetings included representatives from Parks & Recreation and/or some users. He urged the committee to move forward with H 602, saying that if it is held up, there is a chance it will not be implemented this year. He noted that if the bill passes on the House floor,

it will still need to receive a full committee hearing in the Senate, which will give user groups an opportunity to testify on it. **Chairman Wood** said although it may appear as if the bill had been hurried through, this is not the case.

Rep. Hagedorn argued in favor of moving the bill to the House floor, saying there will undoubtedly be people who will think their rights are being abridged because of this legislation. He said, however, that the motorcycle licensing is clearly illegal and Idaho must comply with federal regulations or risk losing federal highway dollars. **Rep. Wills** said that even if the bill goes to the floor now, it could take several days before the calendar allows it to be up for debate and vote on the House floor. This will give sufficient time for members to fully study it if they wish to do so.

Chairman Wood expressed gratitude to the many people who have spent time working on this legislation and attempting to meet the needs of diverse user groups. She thanked the Department of Transportation and the Parks & Recreation Department, as well as county sheriffs, all of whom attended a number of meetings to work on the legislation. She also noted that the bill writers in Legislative Services have rewritten the bill several times, saying that H 602 is the seventh version of the legislation.

Rep. Nonini withdrew his substitute motion to hold H 602. Rep. Wood said her committee has made every attempt to hear the concerns of all users and has tried to accommodate their concerns. Nevertheless, she said, there will undoubtedly still be constituents who will not be happy with the provisions of this bill.

**VOTE ON
MOTION**

Vice Chairman Hart called for a vote on the motion to send **H 602** to the floor with a **DO PASS** recommendation; Reps. Nonini and Shepherd voted in opposition to the motion. **Rep. Wood** will sponsor the bill on the floor.

ADJOURN

Chairman Wood announced that the committee will meet Monday and will consider two pieces of legislation that are part of the funding package. There being no further business to come before the committee, the meeting was adjourned at 4:10 p.m.

Representative JoAn Wood
Chairman

MaryLou Molitor
Secretary

MINUTES

HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: March 10, 2008

TIME: 1:30 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice-Chairman Hart, Representatives Smith (24), Roberts, Wills, Moyle, Nonini, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

**ABSENT/
EXCUSED:** Representative Bedke

GUESTS: Please See Attached Guest Sheet

The meeting was called to order at 2:05 p.m. by Chairman Wood. She asked the substitute secretary to take a silent roll while the committee read the minutes of March 4th and March 6th. Rep. King moved that the minutes of March 4th be approved as written. A vote was taken and the **MOTION PASSED**. Rep. Shepherd moved that the minutes of March 6th be approved as written. The **MOTION PASSED** on a voice vote. Chairman Wood called on Senator Langhorst to present the first item of business on the agenda.

SB 1440 Senator Langhorst presented this legislation which establishes the Idaho 2009 Special Olympics World Winter Games Special License Plate Program. He noted that this license plate provides recognition for the 2008 World Winter Special Olympics Games and will provide funding for the 2009 World Winter Special Olympics Games. Funding from the plates will go toward the promotion of the 2009 Games to generate awareness and support the athletes.

Rep. Shirley Representative Shirley stood to testify to the importance of the Idaho Special Olympics, the teamwork, unity and financial benefits which they provide to the community. He stated that passage of SB 1440 will recognize these special athletes and help provide financial support to the Special Olympics Program in Idaho.

MOTION: Rep. Wills made a motion to send SB 1440 to the floor with a **DO PASS recommendation**. A voice vote was taken and the **MOTION PASSED**. Representatives Moyle, Roberts, Smith and Chairman Wood wished to be recorded as voting "No". However, they clarified that their "no" vote does not signify any lack of support for the Idaho Special Olympics Program, only that they do not support any special license programs. Rep. Shirley will sponsor this bill on the floor of the House.

SB 1442

Senator Geddes took the podium to present this legislation which relates to driver's instruction permits. This bill would change the current statute to decrease the non-refundable fee to enroll in a class D driver's training course to \$15.00 and to disperse \$5 into the driver training account, \$5 into the state highway account, and \$5 into the county current expense fund. He explained that the permit process is currently either through private driving schools or the public school system. However, if a student chooses to switch to one or the other, another fee permit must be paid. Under this new bill, the fee associated with enrolling in a driver's training course would become standard regardless of whether the course is through a public school or a private driver's training program. Another benefit would be to put the permit in the form of a plastic covered driver's license instead of the paper permit which is often so dilapidated it is impossible to read after all the handling it receives.

Julie Pipal

Julie Pipal, legislative liaison for the Idaho Transportation Dept. (ITD) stood to voice support of SB 1442. She related that ITD was asked about three years ago to bring out a uniform instruction permit because the permit was not transferable between the public and the private driving schools. She testified this bill will help eliminate that problem and help students having to make a transition.

Brian Johns

Brian Johns, State Drivers Education Coordinator took the podium to testify against SB 1442. His concerns centered around the loss of financial revenue to the public schools which this bill creates. Mr. Johns explained that the proposed reduction of fees would cause a loss of approximately \$257,600 every year to the Idaho Driver Education Program. He projected that eventually, the account balance would reach zero, public Driver Education would cease to exist and private driving schools would take their place. The end result, according to Mr. Johns is that Idaho would become yet another state losing a public Driver Education Program. **(See Attached Copy Of Testimony)**. Mr. Johns stated that he could support the bill, except for the fee structure.

Jason Hancock

Jason Hancock stood to clarify that Tom Luna, who is the Idaho State Superintendent of Schools, has taken no official position on this matter. He affirmed that the \$3 million surplus in the Driver Education fund gives the program approximately a five year window in which to operate. The committee questioned why the \$3 million excess money was not being used to address the shortage of instructors and cars for students.

Senator Geddes

Senator Geddes resumed the podium to report that the fee structure will likely have to be revisited in 4-5 years, but this bill addresses the problems now by standardizing the process so that a student only has to pay for one permit which can be used for either private or public

driving instruction.

Mike Ryals Mr. Mike Ryals briefly testified in favor of SB 1442. He stated that he owns a private driving education business and is president of the Assn of Private Businesses. He explained that this bill is fair and equitable because it requires that everyone pays the same fee.

Mike Arnell Mr. Mike Arnell took the podium to testify in support of SB 1442. He summarized the benefits of the bill as the fee structure, the new plastic card and no increase to the fund.

MOTION: Rep. Roberts moved that SB 1442 be sent to the floor with a **DO PASS recommendation**. Following further discussion, a voice vote was taken and the **MOTION PASSED**. Rep. Nonini will present this bill on the floor of the House.

HB 606 Rep. Hart took the podium to present this legislation which would prohibit the ITD from implementing the provisions of the federal Real ID Act of 2005 (Real ID Act). Rep Hart briefly outlined the history of the Real ID Act, calling it an unfunded mandate by the federal government. He explained that HB 606 would codify HJM 3, the memorial passed by the Legislature last year resolving not to comply with Real ID Act. To date, seventeen (17) states have passed legislation against it, with seven of them passing statutory bans against implementing the Act. Rep. Hart reviewed the bill with emphasis on Section 2 which codifies the directive that Idaho will not participate in implementation of the Real ID Act. Rep Hart reported that start up costs for implementation in Idaho would be in the range of \$20 million with ongoing costs of about \$5 million a year and no federal money has been appropriated to offset those costs. The committee and Rep. Hart discussed the costs involved for the state, impact issues, and the effect of noncompliance. Rep. Hart summarized the Real ID Act as a moving target which will continually change, making any compliance costly and also prohibitive.

Hannah Saona Hannah Saona, Legislative Counsel for the American Civil Liberties Union of Idaho stood to testify in support of HB 606. She voiced concerns on the following topics: (1) Cost – the extreme cost of implementing the Real ID Act is estimated to be around \$23.1 billion (recently reduced to \$9.9 billion), but Congress has only appropriated 1% of that total to help the states (2) Information Technology Overhauls – uniform data elements on every license are required along with technology for obtaining and sharing information among other states' databases. (3) Privacy Concerns – privacy of personal information may be jeopardized as there are no clear guidelines for safeguards in place for the data sharing infrastructure (4) Re-enrollment – reprocessing existing

licenses, documentation to complete applications, costs for additional storage space, more staff, new equipment, computer software, etc. (5) Constitutional Problems – significant implications exist for due process, the right to travel, and possibly free exercise of religion. In conclusion, Ms. Saona testified that HB 606 would ensure that the privacy and pocketbooks of Idahoans are protected and would send a message to Congress that it cannot bully the states into implementing programs that threaten the privacy of its citizens while costing billions of dollars.

Julie Pipal

Julie Pipal stood briefly to clarify that the ITD would have to upgrade its technology to comply with the Act, at significant cost to the state. Rep. Hart responded to Ms. Pipal that nothing in HB 606 will prevent the Dept. from making improvements to our driver's licenses, implementing new technologies, or making our driver's licenses more secure. Rep. Hart said he doesn't want to keep the Dept. in the stone age.

Ed Pemble

Responding to committee questions, Mr. Ed Pemble, legislative liason for the ITD, clarified that the United States Custom Immigration Service (USCIS) will soon be issuing a passport card which will permit travel by land and sea only, but is expected to cover air travel in the near future. Mr. Pemble reported that when air coverage is attained, this card would eliminate the need for a Real ID card.

MOTION:

Rep. Roberts presented a motion to send HB 606 to the floor of the House with a **DO PASS recommendation**. The **Motion Passed** on a voice vote. Representatives Moyle and Wills wished to be recorded as voting "No". Rep. Hart will be the floor sponsor of HB 606.

ADJOURN:

Chairman Wood advised the committee of the airport tour scheduled for March 18th and with all business completed, she adjourned the meeting at 3:45 p.m.

Rep. JoAn Wood, Chairman

Sherry McNett, Substitute Secretary

MINUTES

HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: March 12, 2008

TIME: 1:30 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Roberts, Bedke, Wills, Moyle, Nonini, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

**ABSENT/
EXCUSED:**

GUESTS: See attached sign-in sheet and highlighted presenters below.

**CALL TO
ORDER:** Chairman Wood called the meeting to order at 3:42 p.m.

**APPROVAL OF
MINUTES:**

**DOCKET NO.
35-0105-0701** **Dan John**, Idaho Tax Commission (ITC) said that Mr. Spangler went through the rules thoroughly when he appeared before the committee earlier. At that time, the committee held their vote pending the outcome of the agreements. Chairman Wood asked if there were any questions for Mr. John. Rep. Ringo said she wanted to clarify that on the agenda, it read Rule 35-0105-071 and actually it is Rule 35-0105-0701.

MOTION: **Rep. Ringo** made a motion to approve **Docket # 35-0105-0701. Motion approved** by voice vote.

**DOCKET NO.
35-0105-0702** **Dan John** stated that as with the previous docket, Mr. Spangler explained it in detail to the committee earlier. Mr. John explained it deals with HB99.

MOTION: **Rep. Hart** made a motion to **approve Docket # 35-0105-0701. Motion approved** by voice vote.

H 631 **INCREASE IN TRUCK REGISTRATION:** **Rep. Hagedorn** said the proposed plan raises registration fees for trucks into two categories: 1) trucks weighing 8,000 lbs up to 60,000 lbs. and; 2) trucks weighing in excess of 60,000 lbs. For trucks 60,000 lb and below there are two categories (noncommercial and farm vehicles, and commercial vehicles) and six fee ranges. On trucks above 60,000 lbs. there is a chart on page 3 outlining the fees based on the number of miles driven in Idaho and the particular weight class the truck falls under. Fees on vehicles below 60,000 lbs. Increased anywhere from \$36.00 to \$201.00. Truck fees for vehicles over 60,000 have increased by \$100.00 in every category. Trailer fees associated with these trucks have increased from \$8.00 minimum to \$16.00 and where the fee was \$15.00 it is now \$30.00. Truck fees have increased over 60,000 lbs. By \$100 in chart in every category. **Rep. Ringo** said that she can't find the

formula on page one for the amounts they've increased. **Rep. Hagedorn** said the formula is not within the bill, calculated on a separate bill based on a percentage basis. **Rep. Ruchti** asked the last time these fees were raised. **Julie Pipal**, ITD, stated that it was 1996. **Rep. Ruchti** asked what was the amount raised at that time. **Ms. Pipal** said she would have to check and get back to the committee. **Rep. Ruchti** said that he's heard about a study that showed Idaho's truck traffic impacted the roads 60% compared to 40% by passenger cars and asked if this study was taken into consideration and if so, how? **Rep. Hagedorn** said he hasn't seen this study. **Rep. Hagedorn** said the data he used was from a study based on the disparity of registration fees between cars and trucks. Car fees were higher and truck fees lower, so they are trying to bring truck fees up. **Rep. Hagedorn** said roughly 141,000 trucks are registered, with a projection of \$8.5 Million for those. There are 1.26 million cars registered, raising approximately \$30 million dollars. **Rep. Nonini** asked of the 141,000 registered trucks, what is the breakdown by category. **Rep. Hagedorn** stated: 93,035 trucks in the in first category of 8,001 to 16,000; 21,361 trucks in the 16,001 to 26,000; 3,124 trucks in 26,001 to 30,000; 3,137 in the 30,001 to 40,000 category; in the 40,001 to 50,000 there are 6,794 trucks; in the 50,001 to 60,000 there are 3,990 registered trucks; and 10,254 vehicles over 60,000. This information was obtained from the Idaho Transportation Department (ITD) and the Idaho Tax Commission.

Dave Carlson, Director of Public and Government Affairs for AAA, testified before the committee. Mr. Carlson referenced a letter they sent to the Governor and copied to the legislative leadership regarding the transportation funding crisis. He stated the crisis is best characterized as our under investment during the past decade or two of our transportation infrastructure. In summary, **Mr. Carlson** said they believe this bill unfairly singles out motorists to pay a greater percentage for a problem that has many contributors. Mr. Carlson noted a chart in his handout, with data from ITD from several years ago, that shows motorists are paying the lions share of the money going to the Highway Distribution Account (HDA). He said they offered to the Governor and legislative leadership the multiple tools necessary to increase registration fees necessary to meet the needs. They are at odds with H631 as the net affect does a couple of things: it disproportionately hits the lower based carriers, in the lower size categories, with an increase as much as 45% for the smallest trucks; and, if you go to the end of the chart, those that operate at the largest weights and most miles have a net increase of 2%, which is hardly what they hoped to see. In 2000 the weight distance tax was repealed following a trial and legislation and resulted in a new registration fee schedule, which a trial netted ID a new reg fee schedule. When that happened, it appears we lost approximately \$10 million. The Highway Cost Allocation Study shows that all vehicles in the automobile class are paying over their fair share at 1.21, with combination trucks paying about 0.81. **Mr. Carlson** said this suggests that adding a \$100.00 tax increase across the board won't adequately address the issues and will also further exacerbate the problem from when we went to straight registration fees. Switching to a registration fee schedule penalized Idaho based carriers, gave breaks to out of state carriers and provided incentives to under report mileage. **Mr. Carlson** said they stand opposed to an increase this small, compared to the one that they think we will see in HB632.

Chairman Wood asked if there were any questions for Mr. Carlson. **Rep. Bedke** asked Mr. Carlson what amount for car registration fees they would be comfortable with. **Mr. Carlson** said they don't have a magic number, but in looking at a 20% increase across the board for all classes. **Rep. Bedke** said that his point is, they are making the allegation it is not fair this way, so if say \$30 for cars and X for trucks makes it fair, what is the X. **Mr. Carlson** shared that right now revenue from cars is \$30.4 million and the contribution for trucks in that category is about \$40.7 million. If we had an increase strictly by percentage, we would be much further along than an increase of about \$150 to \$200 for cars. **Rep. Roberts** asked what amount of overall funding does he support, before the local 38% is removed. **Mr. Carlson** said they don't have a magic number and further stated that a gas tax is absolutely the fairest and most appropriate for use of the roads. On the other side, however, registration fees were never intended to be more than the administration cost to put vehicles on the road. **Rep. Roberts** said that now he hears the dilemma the legislature is in. The case has been made that within 18 -24 months, ITD funding is going to be deficit and will not be able to maintain roads. The legislature could wait another 12 months and come back next year, but they would then have to raise more money to stay ahead of curve. **Rep. Roberts** asked Mr. Carlson if we can raise \$200 million or there about, does he agree with the statement that a fuel tax in one form or the other is part of the solution. **Mr. Carlson** said that it is certainly part of the discussion. **Chairman Wood** said there is a disparity between the numbers of cars and trucks, and in looking at this, is stunned with the comparison and asked what could be raised without hurting one segment over the other. **Mr. Carlson** said that in a perfect world a weight distance tax would be the most fairest and equitable, as it is based not only on miles but also damage to roads. The volume of cars alone is not enough to accurately describe the story. The net cost to Idaho and others is literally millions of dollars because of crashes. **Rep. Hagedorn** said that he appreciates the documents provided showing that less than 30% of HDA comes from registrations and about 70% comes from fuel taxes. **Rep. Hagedorn** asked of the fuel tax, if trucks pay more than cars? **Mr. Carlson** said that he doesn't have that information. **Rep. Hagedorn** said that Mr. Carlson brought up the weight distance tax and wondered if they are not actually paying some sort of weight distance tax now, because as trucks drag a heavier load and become larger, his understanding is their fuel economy decreases. **Mr. Carlson** said that in all of the studies and discussions with state economists, there is no tax that includes both weight and distance. True weight distance taxes are based on fees consistent with heavier weights over miles traveled. **Rep. King** asked for clarification that car fees are being doubled but some trucks only are being raised 2% more; so if we raised all of them in all classes just 20%, we could raise \$105 million. **Mr. Carlson** said they took \$88 million x 1.20 to come up with \$106 million. **Rep. Roberts** said there is some discrepancy on the figures and asked what is the correct number. **Rep. Hagedorn** clarified that under this bill and the upcoming bill, the average increase per truck is \$60.28 and a \$24.00 average per car increase, based on 1.26 million cars and noted there are a lot less trucks than cars. **Rep. Smith(24)** asked if there is a cost allocation for Idaho between trucks and cars based on the damage done to highways. **Mr. Carlson** said there are limited cost allocation studies that do nothing more than allocate based on revenues collected. **Rep. Smith(24)** asked Julie Pipal, ITD, about a cost

allocation study done by ITD in the early 90's, that was supplemented somewhat in the late 90's and asked if she has those available? **Ms. Pipal** said the handout Mr. Carlson provided is the updated data that ITD has. **Rep. Bedke** asked Ms. Pipal to explain what the Autos 1.21 and Pickups 1.2 mean on the Highway Cost Allocation Study handout. **Ms. Pipal** said the Cost Allocation Studies are based on a 1 point ratio and the completed data shows how much over and above that ratio a particular vehicle class is contributing to the financing of the current system. She said the significant pieces on here are autos, single unit trucks, combination and pickups, and as buses fluctuate between each study they don't really look at those. **Rep. Bedke** asked what is a single unit and combination truck. **Ms. Pipal** said that a single unit truck is up to 80,000 lb. The combination truck is the tractor/trailer combination. **Rep. Bedke** asked Ms. Pipal if she would agree that taken into aggregate, the two bills would increase or close the gap? **Ms. Pipal** said the ITD economist would say the information presented is accurate and stand behind it if he were here, but hasn't had a chance to evaluate how they will affect the overall revenue picture and is not able to address this adequately. **Rep. Bedke** asked Ms. Pipal is it their goal to get the numbers in right hand column to 0. **Ms. Pipal** said in the best of all worlds they would try to get all to 1.0, but with each change they would have to reevaluate.

Gerald Tews, from Twin Falls, spoke as someone interested in this process. **Mr. Tews** stated that roads are our life line in Idaho and they are deteriorating. With population increases, we need new corridors and better roads. **Mr. Tews** said his thought is to go ahead with registration increases, but prorate to the age of the car; pick a fee and rotate to age and miles. He further said that in his mind we need a gas tax, possibly 0.12 cents over a 3 or 4 year period, this way tourists who use our roads will also pay their share. Mr. Tews said that he doesn't want higher taxes any more than anyone else, but we need good roads and need to bite the bullet. He said he is in favor of GARVEE to a degree, but we need to bring in other taxes with it, otherwise he is against GARVEE, as you borrow yourself into a hole otherwise. **Rep. Roberts** said that he laid out a good argument about fuel tax. Rep. Roberts said that as fuel efficiency is increased and we can go further on a gallon of gas, the revenue stream becomes flat. The price of fuel and construction has gone up, so if changed to a value based system, offset with a reduction in volume tax, would Mr. Tews support that. **Mr. Tews** said, yes and no, as it gets complication on how to keep track of the ups and down. There are other problems, with hybrid vehicles using the roads the same as him, possibly will have to have higher registration fees on them or when vehicles are purchased. Chairman Wood said that it was discovered that all of the sales taxes on new and used cars being purchased, as well as on tires, batteries, car parts, etc. are going into the general fund and they should be going into ITD.

Rep. Hagedorn closed by saying they've looked at a number of different options and it is a confusing issue on how to come up with the funds. He suspects we are not solving the transportation problems with these bills, and we will still be tackling this issue in the next few years. They hope to get ITD and experts in this field to bring forward future bills on how to fund highway systems. **Rep. Ringo** asked for clarification on why the classes are treated differently. **Rep. Hagedorn** said that trucks over 60,000 lbs. are required to

track their mileage and those that go intrastate are based on the number of miles driven within state. Those that are less than 60,000 lbs. don't track their mileage.

MOTION:

Rep. Smith(24) made a motion to send to the floor with a "Do Pass" recommendation, with the notation that if it passes the committee it be held by the Chair at the Chair's discretion.

Rep. Bedke asked as a point of order if we could do that, hold a bill in committee once it has been passed. **Rep. Smith(24)** said that bills are always held in committee until passed, but he doesn't think there are any rules about holding bills in committee after they are passed. **Rep. Bedke** said he thought a bill could be held until time certain. **Rep. Roberts** said that if the desire is to hold for committee action, that the motion should be held in committee at the call of the Chair and not take action. **Rep. Bedke** said or the committee could pass the bill out and use the Chair's prerogative to call it back to the committee and trigger a procedure vote on floor and have control of the bill. **Rep. Nonini** asked Rep. Smith(24) the purpose of his motion. **Rep. Smith(24)** explained the problem is we have a bill that is going to be amended, but we are not sure what those amendments will be. We are waiting for the Senate to give us suggestions on what they do and don't like on the audit bill. The Senate notified us they are not through with the audit bill yet, so it may be delayed and this bill is somewhat contingent on getting the audit bill. **Rep. King** said that she's not comfortable with the numbers and wants to work on them to increase the fees by the same percent on the first page.

SUBSTITUTE MOTION:

Rep. King made a **substitution motion** to hold **H63** in committee until time certain, to give more time for the committee to look at the numbers.

Rep. King said she thinks a percentage increase would be better. **Rep. Roberts** spoke to the first motion, to send H631 to the floor, and said this is a step in moving forward. **Rep. Roberts** said he will support it if it comes back to committee and will stand behind the Chairman. **Rep. Bedke** asked Rep. Hagedorn about how much the increases were on page one and on the second page. Rep. Hagedorn said \$7.5 million from the first page and that the majority of the increase comes from the first page. The second page increase would be \$1.25 million. Chairman Wood said those amounts are skewed because of the numbers in the categories. **Rep. Bedke** asked about what assurance we have that they are registering according to miles, as we heard that possibly the miles are not being kept track of. **Chairman Wood** said when they register their vehicles, they declare their mileage. **Rep. Hagedorn** said that they are required to track their mileage in order to get taxes back from other states, so they have an incentive to track miles where they drive. **Rep. Ringo** said that on the first page in the first column it seems to be increments of 5 and is that fair and what is the reason. item 3 that seems like a fair thing to do? **Rep. Hagedorn** said they tried to keep the same number the previous bill was bringing in revenue wise and they tried hundreds of numbers to get what appears to be fair and equitable, so worked off what was already there.

The Chair called for a vote on the substitute motion to hold H631 in committee until time certain. The **substitute motion failed** on voice vote.

The Chair called for a vote on the motion to send **H631** to the floor with a “**Do Pass**” recommendation. **Motion passed** with a voice vote.

It was noted the SOP needs to be corrected.

H 632

INCREASE IN CAR REGISTRATION: Rep. Mortimer reported that in looking at the issues and where we want to try to head with an overall plan to raise income for funding, it was determined to revise the annual registration fees by \$24.00 per vehicle class. By raising each category by \$24, according to the best calculations it would raise approximately \$30,240,000.

MOTION:

Rep. Bedke made a motion to send **H632** to the floor with a “**Do Pass**” recommendation.

Rep. Bedke commented he hated to have it be amended and has no illusions on what it will look like when it comes back, but we need to take a step towards a final solution and it’s time to go.

Mr. Carlson said the committee heard the bulk of his testimony previously and their position is the increase on cars is a bit much, based on potential damage they may or may not do. They stand willing and able to work with the House leadership for something that the motorists and trucking groups can vote for. **Rep. Smith(24)** said that he agrees with that trucks not paying a proportionate share, and suggested that presuming this bill gets to the Senate, Mr. Carlson should make his presence known there and possibly his reflections could be shown in th bill if it gets amended.

SUBSTITUTE MOTION:

Rep. Nonini made a substitution motion to send **H632** to the floor **without a recommendation**.

Rep. Nonini said this is a philosophy issue for him, as we voted to give the taxpayers a break on grocery taxes and then take more than that out of their other pocket. **Rep. Nonini** said that until ITD can get their own problems in order, he won’t support legislation that bails them out. **Rep. King** spoke in favor of the substitute motion, saying her philosophy is that if we pass these two taxes, we should also pass a local option tax and look at impact fees.

Chairman Wood called for a vote on the substitute motion to send **H632** to the floor **without a recommendation**. The substitute motion **passed** with a voice vote.

OTHER BUSINESS:

Chairman Wood said at the next meeting they will share with the entire committee the background on overall projections and where we are going with the audit, bills, etc.

On March 18th a field trip to Boise Airport was scheduled, and Chairman Wood asked the committee’s desire on this, as it looks like we will have several more bills coming our way next week. After discussion it was noted to have Chairman Wood convey the committee’s regrets and possibly look at taking the tour earlier in the session next year.

ADJOURN:

There being no further business before the committee, Chairman Wood

adjourned the meeting at 5:08 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary

MINUTES

HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: March 24, 2008

TIME: 1:00 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Roberts, Bedke, Nonini, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

**ABSENT/
EXCUSED:** Representatives Wills and Moyle

GUESTS: See attached sign-in sheet and highlighted presenters below.

**CALL TO
ORDER:** Chairman Wood called the meeting to order at 1:12 p.m.

**APPROVAL OF
MINUTES:** **Rep. King** made a motion to approve the **minutes of March 10, 2008** as written. **Motion approved** by voice vote.

Rep. Ringo made a motion to approve the **minutes of March 12, 2008** as written. **Motion approved** by voice vote.

H639 **HIGHWAY DISTRICT ACCOUNT - SALES TAX MONEYS: Rep. Hart** informed the committee that he is waiting for an amendment to this legislation.

MOTION: **Rep. Hart** requested unanimous consent to **hold H639** in committee until time certain Wednesday, March 26, 2008. There being no objection, Chairman Wood ordered H649 to be held in committee until time certain Wednesday.

S1379a **MOTOR VEHICLES, TIRE CHAINS REQUIRED: Sen. Broadsword** said this legislation authorizes the Idaho State Police (ISP) and the Idaho Transportation Department (ITD) to post signs when the roads are bad and require interstate trucks to chain up on three (3) mountain passes: Lookout Pass and Fourth of July Pass on Interstate 90; and Lolo Pass on State Highway 12. **Sen. Broadsword** stated this legislation is only for these passes, as they have adequate areas to pull off to chain up and then safety pull back into traffic. Since November 1, 2007, there have been 21 incidents where trucks have blocked both lanes of traffic for more than an hour. These passes are the only way in and out for these communities and it creates not only a hindrance, but also a safety issue with ambulances unable to get in or out. **Sen. Broadsword** said that she has heard estimates from ITD that it takes between two (2) to six (6) hours to clear these trucks once an accident occurs. This legislation is primarily geared to interstate trucks, many from back east, that are without snow tires and are not equipped for the road conditions in these passes.

Rep. King asked Sen. Broadsword if they looked at the passes on 55 and

95? **Sen. Broadsword** said these are the only three (3) in heavy snow passes where there currently is adequate room for trucks to pull off and chain up safely and as other passes get adequate room, ITD can come back and ask for authorization. **Rep. Nonini** asked how the \$38,884.00 cost to other drivers on the SOP Fiscal Impact was arrived at. **Sen. Broadsword** said that Lt. Brian Zimmerman with the ISP could better address this question. **Lt. Zimmerman** said the cost estimate came from ITD and was arrived at using the amount of time spent per vehicle on the hill, (average 4 hours per vehicle), the cost of snow plows, ITD boss and employees, and ISP Officers required to handle the road blockage, which is then spread out among the vehicles. This averages about \$10,000.00 per hour. **Lt. Zimmerman** further stated the period of time is dangerous to everyone, and commerce also is stopped. Discussion followed regarding the list of trucks exempted and it was noted the problems on the passes are caused by approximately 95% of interstate trucks, with less than 5% caused by local trucks. **Chairman Wood** asked Lt. Zimmerman why school buses were left out. **Lt. Zimmerman** said that school buses have one single axle in back, they have good weight distribution and are able to get around pretty good, so they exempted them. **Rep. Nonini** asked the definition in the section noted on page 7, line 1 and if that was just big trucks or pickups used for commercial purposes. **Lt. Zimmerman** it was a gross combined weight in excess of 26,000 lbs. **Rep.**

Skip Smyser addressed the committee on behalf of his clients, Idaho Trucking Association, and spoke in support of the legislation. **Mr. Smyser** said Rep. King hit on one of the concerns they have, in that there are several other places where this legislation would be appropriate. **Mr. Smyser** also urged the committee to look at the exemptions and said this should be studied. He said this is a safety bill and continue to year in and year out exempt vehicles from safety legislation. **Mr. Smyser** stated this legislation should be expanded to the entire trucking industry and asked the committee to look at doing that in the future.

Rep. Nonini referenced a handout the committee was given which included a picture of a wrecked truck off of July Fourth Pass, and asked exactly where this law would pertain to. Would it be at the base on each side of the passes or a few miles up the road where the picture shows. **Lt. Zimmerman** said he believes it would be for the passes only. **Sen. Broadsword** said if the roads are ice covered between the two passes, then they would use chains all the way between the two passes and noted that Montana does have a chain up law. **Rep. Nonini** asked if this legislation passes, then ISP can require them to keep chains on all the way through as long as the roads are snow/ice covered? **Sen. Broadsword** said it does, and noted the language in the bill on page 7, line 10 that references no requirements on bare payment. **Rep. Nonini** thanked Sen. Broadsword for her work on this bill.

MOTION:

Rep. Nonini made a motion to send **S1379a** to the floor with a “**Do Pass**” recommendation.

Rep. Hagedorn said that he has some concerns about the exemptions and noted an exemption for trucks carrying fresh fruits and vegetables. **Rep. Hagedorn** said typically those trucks are coming from southern states and if we exempt those trucks, these are probably the trucks we want to target, so are we really going to achieve what we want to accomplish. **Sen. Broadsword** said they took the language out of the Idaho Code Safety

portion and that if coming across the Idaho border, whether an Idaho truck or not, they would have to chain up - even agricultural trucks. **Julie Pipal**, ITD, said her understanding is that those commercial trucks traveling interstate would be required to chain up, on specific passes only. **Ms. Pipal** said this takes the scalpel approach to three (3) very specific areas and improves safety. There being no further discussion, Chairman Wood called for a vote on the motion. **Motion approved** by voice vote. Rep. Henderson, Rep. Nonini and Rep. Shepherd(2) will carry the bill.

SJM113

NAFTA, CONDITIONS FOR PARTICIPATION: Sen. Pearce presented **SJM113** to the committee and stated this passed by a simple majority in the U.S. Congress and caused immediate problems. **Sen. Pearce** reviewed line 17, which is a clause which allows a country to give notice and withdraw from NAFTA. **Sen. Pearce** stated that due to NAFTA over 1.5 million American jobs have been lost, trade imbalances have grown, the reduced value of the dollar, and it has undermined our system in many ways. He further stated that In just the last couple of months the last phases of NAFTA have been implemented and they are telling us we will see another wave of an additional 1 to 2 million illegal immigrants. **Sen. Pearce** referenced a letter distributed from the Idaho Farm Bureau supporting this legislation and said they have seen particular interest by various organizations in this issue

Rep. Ruchti said he gets wary when people talk about trying to identify why illegal immigration is taking place and wondered what exactly the relationship is between NAFTA and increased illegal immigration and asked Sen. Pearce to draw the connection. **Sen. Pearce** said illegal immigration has been caused as their agricultural system has been destroyed and it's rather simple. When you have a border where one side has prosperity and the other side has increasing economic difficulties, they will move in the direction of prosperity. He also said that in Mexico they don't have what is outlined on page 2, lines 11 and 12, so they are moving in this direction. **Rep. Ruchti** asked if NAFTA caused that problem. **Sen. Pearce** said no, not the portion referenced on page 2, lines 11 and 12.

Claudia Nelson, said she was addressing the committee on behalf of herself and all American citizens and stated that when our congress passed the NAFTA document, they didn't know what they were passing. **Ms. Nelson** referenced the size of the NAFTA document and asked who would read all of it, plus all of the other pages that enforce NAFTA? **Ms. Nelson** said NAFTA was presented to Congress as free trade and now looking back after 15 years, we can see it actually was to control trade, promote an integrated economy and establish the rules that govern it. She further said that it is causing us to lose the American Dream and wiping out middle class jobs. **Ms. Nelson** said we have lost 2 million jobs and are projected to lose another 10 million industrial jobs over the next ten years due to NAFTA. She said that Henry Kissinger said that NAFTA is the most creative step yet towards one world government. Ms. Nelson ended by said NAFTA hasn't worked for the U.S., Canada or Mexico and asked the committee to vote yes and send a message to congress.

MOTION:

Rep. Hart made a motion to send **SJM113** to the floor with a "**Do Pass**" recommendation. **Rep. Hart** said that two years ago there was a technology tour of Kootenai County and one of the hosts was Job Service. They laughed

when they were asked if NAFTA created any jobs in Kootenai County, as it has taken jobs out, but not created any jobs.

Motion approved by voice vote. **Rep. Ringo** asked that her “**Nay**” vote be recorded. Rep. Wood(35) will carry the bill to the floor.

S1460

MOTOR VEHICLES, TEMPORARY TRIP PERMITS: **Sen. Corder** presented **S1460** to the committee and said this legislation allows trucks to be put on the road right away. The temporary permit is printed in increments of 120 hours on a plain piece of paper and if it is turned around in the windshield, the expiration date doesn't show. They don't want to eliminate this tool for those who use this permit as it should be, so their strategy is to attempt to make it cost twice as much for those who misuse it and give credit for those who want to be honest.

Rep. Mortimer asked what the penalty is without a valid permit. **Reymundo Rodriguez**, ITD, said there is a \$103 fine for a violation of a single permit and a \$153 fine for a combination permit. **Rep. Mortimer** asked if that penalty is still appropriate with this change or does it need to be changed also? **Sen. Corder** said that he thinks an increase in penalties is always appropriate, but there is difficulty doing that in Idaho, so this is appropriate for right now. If they find that people are still sidestepping this, then it will be prudent to examine increasing that fine in another year. Extensive discussion followed regarding the weight and fee schedule. **Sen. Corder** said that this legislation was intended as a sister to another piece of legislation that changed the way registration fees are in the state and it is still under scrutiny. **Sen. Corder** said this legislation will stand alone as it is, but would be better if applied to registration fees. **Sen. Corder** said that all operators will figure out the most economical way for them to operate. **Rep. King** asked how do we know people do this? **Sen. Corder** stated that he hasn't personally caught any of them, but knows when he sees a folded piece of paper faded by sun, he has a good idea that it's been there awhile. **Sen. Keough** said the Governor's Motor Carriers Commission has talked about this for several years and it is a growing concern and this is an effort to tighten the loop hole some are taking advantage of. **Rep. Hagedorn** commented he appreciates the efforts being made trying to come up with good numbers, and now we are at the end of the session coming up with legislation that we're all using different numbers on and how frustrating it has been to come up with revenue numbers, not knowing if they are good numbers or not. **Sen. Keough** said that she also appreciates the frustration, and said that their focus was how to close a loop hole that exists, not generate revenue. **Sen. Corder** commented that everything we do with transportation changes behaviors, so we can't predict what the numbers will be, but he feels they are in the ball park with these numbers and can write off with a margin of 10% to 20% error and still be ok. **Rep. Roberts** said that he thinks this needs to happen but how does this affect the passage of another bill that is linked to this. **Rep. Roberts** said he is concerned if we change the rate and the other legislation doesn't pass, will we end up with a higher registration fee and haven't fixed the problem and have created another problem. **Sen. Keough** said even though this was worked on as a package, they also crafted it so they could still promote it as a piece to be looked at by itself. **Rep. Roberts** said that even though there is a slight difference between this and another piece of legislation dealing with truck registration, this will close a loophole and thinks it will be fine by itself. **Julie Pipal**, ITD, clarified this legislation is based on the numbers of actual

permits and that is roughly 65,000. **Rep. Mortimer** said he doesn't see that they changed a single trip permit and asked if it is still fair or should it be adjusted. **Sen. Corder** stated that it is probably still fair, but could adjust it later if needed.

MOTION: **Rep. Bedke** made a motion to send **S1460** to the floor with a "Do Pass" recommendation. **Motion approved** by voice vote. **Rep. Wood(35)** asked her "Nay" vote to be recorded. Rep. Bedke will carry the bill to the floor.

S1361a **SPEED LIMIT, SCHOOL ZONES:** **Sen. Goedde** presented **S1361a** to the committee and reviewed this provides for an enhanced penalty for speeding in a school zone, and changes the definition of "when children are present" so that it applies to one child or more. **Sen. Goedde** said that it is proven that increased fines, especially over \$100, increases compliance.

Rep. Roberts asked for clarification on lines 14 & 15, and asked if that includes teachers in service days and weekends? **Sen. Goedde** said that the State of Idaho says it only needs to define when children are in place and provide the penalty for that violation. **Rep. King** asked about taking out the portion on non-school days, so during summers whether say the light is blinking light or not, there won't be a violation. **Sen. Goedde** said the signage is determined by the engineer in charge of that district, and there are a number of different signs that can be used. He said the Intent of the original legislation was to make it uniform across the state so anyone could recognize school zones, but they found they don't have that authority. **Rep. Hagedorn** said that basically a school would have posted signage for school zones whether it's flashing lights, signs establishing times, when child are present, etc. and drivers are responsible for reading and following those signs. **Sen. Goedde** said that is correct. **Rep. Hagedorn** asked if the amendment is consolidating that language and setting a minimum fine at \$75. **Sen. Goedde** said the amendment defines children as one child and enhances the penalty; there is nothing to signage in the manual. **Rep. Hart** said the language in the amendment looks broad and may be hard to enforce. **Sen. Goedde** said this language came from Boise City Code and is sure it's been challenged. He further stated that if the child is on school grounds and not in imminent danger or crossing the street, it would not apply. **Rep. Roberts** asked about the fine and if the \$41.50 increase establishes a \$75.00 minimum fine. **Sen. Goedde** said that is correct. Discussion followed about this applying or not applying on non-school days. **Sen. Goedde** they tried to add about not applying on non-school days but were told by the Deputy Attorney General of ITD they could not do that, it is controlled by the Manual of Uniform Traffic Devices and it's up to the local engineer to make that determination. The local engineer, could put hours, or when children are present, or when the light is flashing or Monday through Friday or any combination of those. At this point, **Sen. Goedde** was needed for a vote in the Senate. **Chairman Wood** asked the committee if they wanted to go forward or wait until **Sen. Goedde** comes back and the committee continued the discussion. **Rep. Hagedorn** commented there is a difference in how children interact in school zones in rural and urban Idaho and because of that thinks the engineer should have the ability to have the choices, not just a blanket choice. **Chairman Wood** and **Rep. Nonini** questioned the need for the legislation if the local jurisdictions have the authority to set the fines. **Rep. King** said the purpose is to define children as one child and increase the fine. **Rep. Smith(24)** asked about schools that are located on state highways. **Ms. Pipal** said she was not involved in the

drafting of this legislation, but in discussions she's heard that it sets a floor for the fine and it can be set at a higher level. **Rep. Nonini** said in essence so the fine can't be at a lower level. Sen. Goedde returned and further discussion followed on the variety of signs and possible wording for them; what areas around the school would fall under this legislation and during what time periods. Sen. Goedde said again they used language from Boise City Code and the signage the engineer uses is from the Manual of Uniform Traffic Devices. There being no further discussion, Chairman Wood said the bill is properly before the committee.

MOTION:

Rep. Hagedorn made a motion to send **S1361a** to general orders with committee amendments.

Rep. Hagedorn said to look at the amendment and replace lines 5, 6, 7 and most of 8, with a definition that says one child be the same as children for speed limit penalties; and leave paragraph 2 stating the minimum penalty not be less than \$75.00. **Rep. Hart** asked Rep. Hagedorn about striking lines 8 through 11. **Rep. Hagedorn** said that would stay the same. **Rep. King** said she would like it to define how much on the same side of the street, and the number of feet on each side of the street and that she would be glad to work on that with Rep. Hagedorn. **Rep. Ruchti** stated he thinks we are going about this in the most difficult way and what document we refer to should just say what it means.

SUBSTITUTE MOTION:

Rep. Roberts made a **substitute motion that S1361a** be held at the call of the Chair and the committee to allow for amendments to be worked out prior to going to General Orders. **Motion passed** by voice vote.

H655

HIGHWAY IMPROVEMENTS: **Rep. Nonini** presented **H655** to the committee and said this legislation added simple changes to the STAR bill from last year that will allow it to be used in other areas not specifically tied to an interchange. **Rep. Nonini** reviewed the changes and noted Eagle Road is the busiest road in Idaho, only 3 miles from the I84. A large commercial developer is looking at going in, but unless they can use STAR to widen the road, there will be no further interest. **Rep. Nonini** said they set a high bar in the legislation last year, with the developer having to pay \$8 million in infrastructure and \$4 million in new retail development, to make sure they are recruiting good retail businesses that add extra revenues. **Chairman Wood** asked if this will be handled the same as the original STAR bill, with a 60% rebate of their sales and use taxes. **Rep. Nonini** said that nothing has changed in that regard, once the improvements are done. ITD has to approve the construction and there is oversight so they are up to standards. **Chairman Wood** asked where the ownership of the road reverts to. **Rep. Nonini** said that it depends on the particular roadway, but it would stay with the entity that currently owns the road. **Chairman Wood** said this is the best use of public/private partnership that she's seen. **Rep. Nonini** stated this was first used in north Idaho, referring to Cabela's coming in and putting in an interstate interchange, which was paid for by the developer, who gets it back over time with a portion of the sales tax rebate. **Rep. Smith(24)** said it seems that worked well in north Idaho, but Eagle Road is an existing road with existing businesses and wondered if sending back 60% to ITD to build with will then the general fund suffer a loss because of this. **Rep. Nonini** said the particular area they are talking about on Eagle Road doesn't have much retail right now and the Tax Commission has the final say. **Rep. Nonini** said their

goal isn't to divert existing tax dollars away from the general fund. **Rep. Bedke** asked who would give the authorization on this project, the City of Eagle or the Tax commission. **Rep. Nonini** stated that ITD and the Tax Commission are working together in case of the Eagle Road project.

MOTION:

Rep. Bedke made a motion to send **H655** to the floor with a “**Do Pass**” recommendation.

Rep. Mortimer said that he doesn't see in the proposed legislation where it says that it has to be new construction. **Rep. Ruchti** said he has the same concern. **Rep. Nonini** said there has to be a \$4 million minimum in retail development. **Chairman Wood** said she is sensing some discomfort with the language and wondered if they need to put the word “new” in there. **Rep. Nonini** said there are the two thresholds to meet and they have to go hand in hand, otherwise they don't qualify for STAR. **Rep. Smith(24)** said the parameters were known with the north Idaho project last year, but here we don't know whose sales tax is used to pay the bonds. **Rep. Nonini** said 60% of the sales tax is rebated to the developer, until he recoups \$8 million of the highway costs. **Rep. Hagedorn** commented we are basically talking about approved legislation from last year and if an entity wants to spend a minimal amount of money in their complex and road infrastructure, we will allow that developer to bond for that infrastructure improvement. The question is do we want to include more than a freeway interchange to what we did last year and widen the scope of legislation to allow roadways to be covered. In one case we have someone that wants to do that, but they need to be sure they can get the traffic from the freeway to the development. **Rep. Hagedorn** said that partnership of commercial and local government is a wise thing for the state. **Rep. Nonini** said when they were looking at changing this statute they discussed lowering the amounts, but at the end of the day the decision was made to keep the bar high. **Chairman Wood** said she is still hung up on the “new” wording and asked if someone wanted to do an \$8 million expansion or refurbishing of something existing, would this open the process to that as well. **Rep. Nonini** stated they would still have to spend an additional \$4 million on the retail complex itself. **Chairman Wood** asked how much does ITD, the county or state need to match, for instance do they do the engineering, signage, or how do they contribute to the partnership. **Rep. Nonini** said how it's gone over the last year is the developer acquired the land, the developer hired the engineers on their dime and the plans were run by ITD, with ITD having to sign off on everything, but each specific project might be a little different. **Rep. Hagedorn** said this legislation does not focus on any particular project nor define anything that is going to happen, it enables a developer to spend \$12 million to improve interchanges and highways within that area. **Ms. Pipal** stated that whenever a developer or anyone comes in and makes an impact, ITD requires them to do a study and they will have to mitigate the impact to the system. **Rep. King** said, so they can't rip up a good intersection and call it new, it has to be an improvement to what is already there. **Ms. Pipal** stated ITD would work with them to help either build what they need or improve what they need, as ITD has control of the system. **Rep. Nonini** referred to page 1, line 19 and the new language, stating the goal is to improve roadways and allow more accessibility, not rip up an existing road, re-pave it and say they've spent \$8 million. **Rep. Ringo** said she has a time line issue bothering her. Can a developer purchase land, build a commercial unit, put it into business, gather taxes and then a few

years later build a second installment to this commercial development and attain \$4 million; can they then go back and capture 60% of the sales tax over that entire period of time. **Rep. Nonini** said his understanding is it's a one time deal, so no. **Rep. Ringo** asked if it specifies that. **Rep. Nonini** said when writing the bill last year, they talked to large developers and they want their projects up and completed right away, so they can start to recoup the money right away. A developer doing this over a period of years in installments won't get the rebates back, so he doesn't see it being beneficial to the developer in her scenario. **Rep. Mortimer** stated that in his opinion there seems to be a lot of loopholes, and even though the intent is for new economic development, it needs to be clarified in the legislation. **Rep. Nonini** said the intent is for new development.

**SUBSTITUTE
MOTION:**

Rep. Smith(24) make a **substitute motion** to **hold H655 in committee**.

Rep. Smith(24) said he doesn't object to STAR as it was very well defined, but this still has some language that should be deleted as it is taking a specific bill and expanding it to all roads **Rep. Smith(24)** stated it needs to address how it treats existing businesses and their sales taxes, as they benefit from the new construction without paying for it, and do they get a rebate. He also stated that businesses coming in from another area and putting up new construction isn't a new source of revenue. **Rep. Nonini** said the goal of the original bill last year was for new retail businesses.

**AMENDED
SUBSTITUTE
MOTION:**

Rep. Ringo made an **amended motion** to **hold H655 until time certain** Wednesday to tighten up those areas mentioned.

Rep. Hagedorn said he thinks part of the difficulty the committee is having is because we only have the amendment to the particular legislation, not the actual legislation in front of us. **Rep. Hagedorn** noted that on page 2, line 4, it says "... interchange and/or related freeway interchange improvements and/or highway improvements..", and on lines 54 and 55 it further defines what those highway improvements are, so nothing is changing from the original intent, it's just refining it. A developer cannot come in, pay \$12 million and do what they want; there are lots of entities involved, such as Planning and Zoning, ITD and local taxing districts. **Rep. Ruchti** spoke in favor of the amended substitute motion, commenting there is one entity that doesn't have a dog in that fight and don't mind if existing businesses moves from one part of a district to another. **Rep. King** said she supports the substitute motion, as she sees the possibility of businesses moving around and not generating new sales taxes. **Rep. Hagedorn** stated that it's also important to realize with development comes jobs, income taxes that go into the general fund, and property taxes, and there possibly could be some shift on some sales taxes, but some of that can be offset with local infrastructure. **Rep. Hart** commented this would help development in his area. **Rep. Roberts** asked Ms. Pipal if this legislation is something that could possibly be used to build a separate interchange by spending \$4 million for commercial expense within a development and then they could use this as a tool to pay for that interchange. **Ms. Pipal** stated she does see it as a tool they could use and they've talked about it at the department.

Chairman Wood said there are three motions on the floor and called for a vote on the **amended substitute motion** to **hold H655 until time certain**. The amended substitute motion **passed** with a voice vote. Voting "**Nay**" were

Representatives King and Hagedorn.

H641 **MOTOR VEHICLE LEASE/RENTAL TAX: Rep. Smith(24)** presented **H641**. **Chairman Wood** said she wanted to recognize that Rep. Smith did not invent this legislation, it was assigned to him by his Chairman, which came by another route. Rep. Smith(24) reviewed that this legislation will put a 4% tax on rental cars and it intended to raise \$1.3 million on those cars rented for less than 30 days. **Rep. Smith(24)** stated that no effective date was noted, so if this passes the effective date would be July 1, 2008.

MOTION: **Rep. Ruchti** made a motion to send **H641** to the floor with a “**Do Pass**” recommendation.

Mike Brassey, on behalf of the Idaho Rental Car Association, addressed the committee and spoke in opposition to the bill. **Mr. Brassey** distributed a handout showing the state and local tax burden on rental cars. With the passage of this legislation, the rental car taxes/fees in Boise would be 23% and at over 20% in all other Idaho cities; rental cars pay the same registration fees and gas taxes as all other cars; and the 6% sales tax applies to rentals. **Mr. Brassey** said they oppose this legislation as it’s unfair to apply a 4% charge when they are already carrying a high burden of taxation and noted rental car franchises are individually owned businesses. **Mr. Brassey** said that rental cars already pay for a portion of Idaho’s air transportation infrastructure, and a lot of local residents rent cars for various reasons and so will be paying fees not only on their own cars, but rental cars also. **Rep. Ringo** asked how these rates compare to other states. **Mr. Brassy** stated the proposal was originally taken from Utah, but beyond that he doesn’t know. He further stated that part of the difficulty in comparing states are the fees are used for different things. In Idaho there are used for highway funding; in Arizona they are used to build professional sports stadiums. **Rep. Ringo** said part of what this is doing is making the rental car owners become tax collectors. **Rep. Ringo** also commented that typically when renting a car, you don’t have a lot of options, unless it’s a border community and you could compare.

SUBSTITUTE MOTION: **Rep. Ringo** made a **substitute motion** to send **H641** to the floor with “**No Recommendation.**”

In response to questions, **Mr. Brassey** informed the committee that the increases in fees/taxes are passed through to the consumer, along with the current sales tax that is charged every time a vehicle is rented and for those car rental franchises located at airports, airport concession and facility taxes. **Mr. Brassey** noted if the franchise is not located at an airport, they would only pay the 6% sales tax, plus 4%. or what the assessment is.

AMENDED SUBSTITUTE MOTION: **Rep. Hart** made an **amended substitute motion** to hold **H641** in committee.

Rep. Hart noted a very large part of our local economy is based on tourism and this would discourage them to visit the state. There being no further discussion, **Chairman Wood** noted there are three motions on the floor.

ROLL CALL VOTES: A roll call vote was requested. **The amended substitute motion to hold H641 in committee failed by a 6-6 tie.** Voting **AYE:** Representatives Hart,

Roberts, Nonini, Mortimer, Shepherd(2) and King. Voting **NAY**: Representatives Wood(35), Smith(24), Bedke, Hagedorn, Ringo and Ruchti.

A roll call vote was requested. The **substitute motion to send H641 to the floor with “No Recommendation” failed by a 6-6 tie**. Voting **AYE**: Representatives Wood(35), Smith(24), Bedke, Hagedorn, Ringo and Ruchti. Voting **NAY**: Representatives Hart, Roberts, Nonini, Mortimer, Shepherd(2) and King.

A roll call vote was requested. The **motion to send H641 to the floor with a “Do Pass” recommendation failed by a 3-9 vote**. Voting **AYE**: Representatives Smith(24), Ringo and Ruchti. Voting **NAY**: Representatives Wood(35), Hart, Roberts, Bedke, Nonini, Mortimer, Hagedorn, Shepherd(2) and King.

H640

SPECIAL LICENSE PLATE SURCHARGE: Rep. Bedke presented **H640** and said this legislation puts a \$10 surcharge on most of the specialty license plates that ITD issues. Those specialty plates not covered under this legislation are for the disabled, veterans, National Guard and military. **Rep. Bedke** noted that legislators do buy their legislator plates.

MOTION:

Rep. Ruchti made a motion to send **H640** to the floor with a **“Do Pass”** recommendation.

SUBSTITUTE MOTION:

Rep. Ringo made a substitute motion to **hold H640 in committee**.

Rep. Ringo said that the individuals who purchase the specialty plates are already paying extra and many buy them because they want the extra fees to go into a special account that supports something. In her view, to add an extra \$10 to go for roads and not charge those individuals buying regular plates seems like an undue burden. **Rep. King** asked what other states charge for speciality license plates. **Rep. Bedke** said he doesn't know. Fiscal statement doesn't change. **Rep. Mortimer** asked Ms. Pipal what amount of the fee goes to ITD on the specialty license plates and does it cover the costs associated with these plates. **Ms. Pipal** said that \$10 goes to ITD to manage the program, and it is generally solvent for regular and specialty license plates. **Rep. Mortimer** stated, so one is not subsidizing the other. **Ms. Pipal** said that if you look at the numbers for centennial plates and specialty places, the standard plates are subsidizing the speciality plates. **Rep. Roberts** asked Ms Pipal if we do a \$10 increase on specialty license plates how does that annually compute to the cost of that plate versus the cost of the regular registration fee, does it become a better buy to get a specialty license plate versus a regular license plate. **Ms. Pipal** said that specialty license plates fees are charged on top of the regular registration fees. **Rep. Nonini** said we need to deal with these issues in a different way, as he believes in the threshold of diminishing returns. **Rep. Nonini** stated if we continue to do these things to raise taxes by these nickels and dimes, individuals will end up discontinuing to purchase specialty license plates. **Rep. Bedke** spoke to the original motion and said we are going through every pocket looking for every angle to avoid the hard decisions that are in front of us and encouraged the committee to vote their conscience, but noted this legislation is in the interest of getting ideas out on the table as we know the fix that ITD and our road system is in.

Sharon Kiefer, Legislative Advisor for Idaho Department of Fish and Game, addressed the committee and presented their concerns regarding this legislation. **Ms. Kiefer** said at the Idaho Department of Fish and Game Commission March 13th meeting, they determined to monitor this bill and bring their concern about the sales to the wildlife specialty plate program if this passes. The current total cost for this specialty license plate is a \$35 initial fee and a \$25 fee with each renewal. **Ms. Kiefer** said the rationale to surcharge only those who purchase specialty license plates is unclear and it is unfair to ask for new revenue only from specialty license plates.

Jane Wittmeyer, Intermountain Forest Association, addressed the committee and said it gives her pause when she sees this SOP with the names of the leadership on it, but was assured now is the time to raise her concerns. **Ms. Wittmeyer** said that while the funds they receive from the specialty license plate program is a small amount of money, it has been a fairly steady amount of funding for them. They have already set their budget based on the income they receive from specialty license plate sales. It appears this legislation may diminish the number of individuals wanting to purchase specialty license plates and asked this bill be held in committee.

**AMENDED
SUBSTITUTE
MOTION:**

Rep. Bedke made an amended substitute motion to send **H640** to the floor with “**No Recommendation**”.

Rep. Bedke said it was not the intent of this legislation to make the list of those purchasing specialty license plates smaller. They were trying to get all ideas out on the floor and so don't be scared with who is on the sponsor list, ideas need to be out and vetted. **Chairman Wood** said it's been difficult to try to be fair and they've struggled with how to raise funds and be as fair as possible. **Rep. Mortimer** said he was opposed to this legislation for the reasons Rep. Nonini mentioned, but one thing changed his mind, it is important that each department stand on its own and if this is a subsidizing bill, he doesn't think it's fair to the taxpayers throughout the state. There being no further discussion, Chairman Wood said there are three motions on the floor and called for the committee to vote.

**ROLL CALL
VOTE:**

A roll call vote was requested. The **amended substitute motion to send H641 to the floor with “No Recommendation” passed by a 7-5 vote.** Voting **AYE**: Representatives Wood(35), Hart, Smith(24), Bedke, Mortimer, Hagedorn, and Ruchti. Voting **NAY**: Representatives Roberts, Nonini, Shepherd, Ringo and King.

RS 18152

Rep. Ringo presented **RS18152** to the committee and said the intent is to impose a 2% sales tax on the sales of fuel at the distributor level. **Rep. Ringo** reviewed that on page 1 it inflates the fee for gaseous fuels by 75% and page 2 gets into bonding and bonding fees, and raises the amounts on line 16. Page 3 has a new section which opens up the highway preservation fuel tax, and on line 25 is the 2% tax imposed on gross purchasers of motor fuel. The rest of the legislation goes into details like reports, distribution of revenues, etc. **Rep. Ringo** said this imposition of 2% at the distributor level is anticipated to be passed on at the pump, so based on today's costs, it would increase a gallon of gas by about 5 .5 cents, with a projection of \$48 million to be raised. **Rep. Ringo** said in generally looking at the tax they charge based

on per gallon quantity, and it flat lined on that because of different factors. She said historically it is touched up so will see some increase in revenue but it has not been done since about 1996. Built in to defray the cost at the tax commission level, recognizing there will be some extra burden on them in terms of monitoring. **Rep. Smith(24)** said that right now we've worked out a pact with the Indian Tribes on how we treat their gasoline and if the 2% sales tax increase goes to the distributor, it will also go to reservation. **Rep. Ringo** said they recognize that would happen. **Rep. Shepherd(2)** said she cannot support this proposed legislation. She was at a town hall meeting about 10 days ago where most of the discussion was about registration fees, with most saying they could support an increase in registration if it was not too high. **Rep. Shepherd(2)** said, but then the gas tax increase came up and they "flew" at her, so she cannot support an increase in gas tax, although it may be more fair. **Rep. Ringo** said some areas are reacting the opposite way, which is why they are getting the variety of ideas out there as we are at the stage where we need to look at a variety of concepts. **Chairman Wood** stated that even in all of the attempts to be fair, it's still all in the eye of the beholder.

MOTION: **Rep. Smith(24)** made a motion to send **RS18152** to print. **Motion approved** by a voice vote.

MOTION: **Rep. Mortimer** made a motion to recess the committee subject to the call of the Chairman. **Motion approved** by a voice vote. Voting "**Nay**" was **Representative Smith(24)**.

RECESS: There being no further business before the committee, the committee recessed at 5:12 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary

MINUTES

HOUSE TRANSPORTATION AND DEFENSE COMMITTEE

DATE: March 26, 2008

TIME: 1:30 p.m.

PLACE: Room 148

MEMBERS: Chairman Wood, Vice Chairman Hart, Representatives Smith(24), Roberts, Nonini, Mortimer, Hagedorn, Shepherd (2), Ringo, King, Ruchti

**ABSENT/
EXCUSED:** Representatives Bedke, Wills and Moyle

GUESTS: See attached sign-in sheet and highlighted presenters below.

**CALL TO
ORDER:** Chairman Wood called the meeting to order at 3:43 p.m.

H655A **HIGHWAY IMPROVEMENTS:** **Rep. Nonini** said he is offering this amendment based on what he heard was the main concern from the committee on Monday. Basically existing stores that are sending 100% of their sales and tax in, will continue and would not go back in a rebate.

Rep. Ruchti said he has three scenarios and asked if Rep. Nonini to address how this legislation would affect each scenario: A) An existing business developer comes in does and does major remodeling to fit the minimum numbers to be spent on the project; B) A brand new retail establishment creating infrastructure; and C) An existing retailer in another part of town moves to a new location that a developer creates. **Rep. Ruchti** said that as he understands it, this amended legislation takes example A & C off the table and allows only example B to take advantage of STARR. After some discussion, **Rep. Ruchti** stated his example C would be the same as A. **Rep. Nonini** said if a store is in existence, he thinks the amendment would take care of all three scenarios.

MOTION: **Rep. Hagedorn** made a motion to send **H655a with committee amendments to general orders.**

Rep. Smith(24) said he sees the bill as an abomination and in talking with one of the principals in the project in north Idaho, was told it is fraught with problems and they are trying to work them out and hope they eventually will build an interchange there. **Rep. Smith(24)** said we don't have anything that's tested this and now we want to expand it to a roadway with a patchwork of new construction of businesses that qualify, and he can't envision this working in that scenario.

**SUBSTITUTE
MOTION:** **Rep. Smith(24)** made a substitute motion to **hold H655 in committee.**

Rep. Ruchti asked Rep. Smith to explain his opposition to the bill. **Rep. Smith(24)** said that under the scenario of the existing bill, new construction brings in new business and sales tax that we would not have but for new business and of that sales tax 60% gets applied to bonds to construct an

interchange. We were looking at taking a length of roadway and requiring the developer to only widen 3 miles of the roadway, just in front of the development, at his expense. This is to build the road in front of other businesses that don't qualify. **Rep. Smith(24)** said the north Idaho project was fairly clean, but they are still having problems and now we are wanting to jump into something more. **Rep. Hagedorn** stated he thinks part of the issue some of the committee is having, is that we have a project mixed up into a proposed bill that will provide leverage for communities to bring in new business. The new business will be managed by Planning and Zoning, who will manage the growth appropriate to their district and address the local infrastructure concerns. **Rep. Hagedorn** said Rep. Smith's scenario isn't reflective in the area of growth where the company wants to build and we shouldn't get the project mixed up in the legislation. **Rep. Hagedorn** said this legislation will allow communities like Horseshoe Bend and Moscow that don't have an interchange, to use this as a tool to bring development into their area. **Chairman Wood** said it seems the pertinent things are the highway improvements new language, which is a far cry from an overpass and we are broadening out a lot. **Rep. Nonini** said that yes we are, but the benchmarks in the original bill of \$8 million in infrastructure and \$4million in retail complex are fairly high benchmarks and sees this as a major tool to local communities for economic development with needed highway construction or improvements where otherwise they might have to wait for years.

Meridian Mayor Tammy de Weerd gave a historical perspective in Meridian on a project that is coming that realizes Eagle Road has a current deficit. These are not improvements the city can require the developer to do and the developer came forward about deficit and want to be part of the solution. They thought of STAR as a tool for this project but found there were some holes. Rep. Moyle asked for an Attorney General opinion on this law and they came back stating there are some ambiguities that need to be cleaned up. The Meridian City Attorney, ITD and other came up with language to add clarification and minimize the risk to the developer and the state. She said their understanding is the investment must be made before ITD and the Idaho Tax Commission can confirm the project would be eligible, so the risk is minimized. Discussion followed regarding some of the language and **Rep. Hagedorn** said that in the Attorney General's opinion they thought sideboards were needed and that is the reason for the language before us. Chairman Wood asked if we have a process that everyone has to comply with if they are entertaining this kind of project. **Julie Pipal**, ITD, said they are in the process of developing that right now to be sure the agreement makes sense for ITD, as they don't want to assume any additional risks. **Ms. Pipal** said her understanding is the developer is responsible for all of the costs, with ITD to be sure that traffic and safety standards are met. ITD is not responsible for the money. Chairman Wood asked how long it takes to get a project like this on board. Ms. Pipal said private dollars gives them flexibility and provides them the ability to move forward as fast as they can move dirt; it is the first step of the sideboards. **Rep. Ringo** said the amendment helped with part of her concerns, but she would be more comfortable if we could say this had already been implemented and it was working great and is she knew how this will affect existing businesses and the sales tax effects on the general fund as a result of the rebates. Rep. Nonini said he can't say anything to diminish her concerns, as competition is out there and he can't put a number on it, so not sure how to address her concerns. **Rep. Nonini** said that all additional growth by a new retail complex will create additional revenue and reiterated

the amendment was done to clean up some language.

Discussion followed and **Rep. Hagedorn** said it is worth noting that the Attorney General said we need to put sideboards on this bill and this is a good addendum to the bill and he is aware there are other issues that need to be taken up. **Rep. Hagedorn** said this particular bill isn't do we like or dislike STAR, it's do we want to put sideboards on it.

There being no further discussion, a vote was taken on the substitution motion. The **substitute motion** to hold H655A in committee **failed** by a voice vote.

The motion to send **H655A with committee amendments to General Orders passed** with a voice vote. **Rep. Ringo** voted "nay" on the motion.

S 1361a

SPEED LIMIT, SCHOOL ZONES: **Sen. Goedde** distributed a letter from the Deputy Attorney General dealing with school signage, an email from Steven Perry and the proposed amendment. **Sen. Goedde** explained the amendment defines the term "when children are present" to mean one or more children and it gets rid of the language around school property, but leaves the last line intact that speaks to children on either side of the street in a school zone.

MOTION:

Rep. Ringo made a motion to **send the engrossed bill with amendment to general order** . **Motion approved** by voice vote. **Rep. Mortimer** and **Rep. Wood(35)** voted "Nay" on the motion.

H639

HIGHWAY DISTRIBUTION ACCOUNT, SALES TAX MONEYS: **Rep. Hart** reviewed H639 and takes sales taxes generated from retail establishment who report to the State Tax Commission under industry code 0553 and puts the sales tax to the Highway Distribution Account as of 2010. **Rep. Hart** said his proposed amendment would exempt the sales of tires from sales tax and impose a 6% excise tax on tires that would go directly to the Highway Distribution Account. This will create a segregated revenue stream that ITD would feel more ownership over, rather than a chunk out of the sales tax revenue. It also us down the road to add a surcharge for specialty or studded tires and pick up the sales of tires from the "big box" stores. **Rep. Hart** stated this doesn't raise the sales tax. **Rep. Hagedorn** asked what the difference is between an excise tax and a sales tax. **Rep. Hart** said an excise tax is on an activity or some kind of action that is taken, i.e. buying a tire, where a sales tax is a general tax on any purchase. **Rep. Nonini** asked for the bill there are no new taxes, it is just a reallocation, but in the amended bill there is a rate of 6% excise tax on tires, while discontinuing sales tax on those tires. **Rep. Hart** said it creates an exemption to sales tax on tires. **Rep. Nonini** asked if the SOP will have a different impact with the amended bill and if so, what is that impact difference. **Rep. Hart** said that right now the \$22 million is for retail sales reported under this industry group 553, but retailers are hesitant to providing numbers, so he doesn't have a number but is estimating it is probably in the range of \$25 million to \$30 million. He noted that this would not go into effect until fiscal year 2010. **Rep. Ringo** said she can see the beauty of the concept, but is concerned that sometimes the impact can be more than we can bear and there is a good possibility we are building into a structural deficit in the next few years. **Rep. Ringo** stated this is just one too many good ideas for us to handle right now and she can't support it at this

time. **Chairman Wood** said that is why it was put in the 2010 budget. **Rep. Hart** stated that in JFAC when money is on the table there are a lot of people after it and this bill would take some of the money and direct it to ITD and if there is a surplus next year this money would be spoken for.

MOTION: **Rep. Hagedorn** made a motion to send **H639** to the floor with a **“Do Pass”** recommendation.

Rep. Hagedorn stated they could work in an amendment next year if it was needed. **Rep. Nonini** stated that he appreciates the hard work everyone has done all session long, but will not support motions to generate money for ITD until they get their house in order. **Rep. Nonini** said his no vote will not be against the committee. **Rep. Hart** said this is a compromise bill that will direct money to ITD without raising taxes. **Rep. Nonini** asked what will happen to the \$22 million that this will be taking off table in light of an economic downturn.

ROLL CALL VOTE: A roll call vote was requested. **The motion to send H639 to the floor with a “Do Pass” recommendation failed by a 5-6 vote.** Voting **AYE:** Representatives Wood(35), Hart, Smith(24), Mortimer and Hagedorn. Voting **NAY:** Representatives Roberts, Nonini, Shepherd(2), Ringo, King and Ruchti.

H633 **REGISTRATION FEES ON CERTAIN SCHOOL BUSES, MOTORCYCLES AND ALL-TERRAIN VEHICLES:** **Rep. Mortimer** said that he will be making a motion to hold H633 in committee.

MOTION: **Rep. Mortimer** made a motion for **H633** to be **held in committee.** **Motion passed** with a voice vote.

Chairman Wood reminded the committee of the invitation from the Counsel General of Canada for the Idaho Canada Days Reception on April 1, 2008.

ADJOURN: There being no further business before the committee, Chairman Wood adjourned the meeting at 5:03 p.m.

Representative JoAn Wood
Chairman

Darlene Reed
Secretary