

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Tuesday, February 03, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

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

ABSENT/ EXCUSED: None

NOTE: The sign-in sheet, testimonies and other related materials will be retained with the minutes in the committee's office until the end of the session and will then be located on file with the minutes in the Legislative Services Library.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

S 1015:

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

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

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

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

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

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

MOTION:

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

S 1016:

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

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

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

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

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

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

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

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

TESTIMONY:

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

MOTION:

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

ADJOURNED:

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

Senator Brackett
Chair

Gaye Bennett
Secretary