

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Thursday, March 19, 2015

TIME: 1:30 P.M.

PLACE: Room WW53

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

ABSENT/ EXCUSED: None

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

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

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

H 183: **Chairman Brackett** invited Representative Dixon to the podium to present **H 183**.

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

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

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

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

MOTION:

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

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

H 131:

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

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

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

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

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

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

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

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

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

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

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

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

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

MOTION:

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

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

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

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

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

SUBSTITUTE MOTION:

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

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

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

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

VOTE ON SUBSTITUTE MOTION:

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

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

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

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

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

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

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

**UNANIMOUS
CONSENT
REQUEST:**

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

ADJOURNED:

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

Senator Brackett
Chair

Gaye Bennett
Secretary