

MINUTES
HOUSE TRANSPORTATION & DEFENSE COMMITTEE

DATE: Wednesday, February 22, 2017

TIME: 1:30 P.M.

PLACE: Room EW40

MEMBERS: Chairman Palmer, Vice Chairman Shepherd, Representative(s) Gestrin, Hixon, Kauffman, Packer, Youngblood, McDonald, Dixon, Harris, Holtzclaw, Monks, DeMordaunt, Syme, King, Wintrow, Gannon

**ABSENT/
EXCUSED:** Vice Chairman Shepherd, Representative(s) Gestrin

GUESTS: Bobby Petersen, Kyle Durham, Idaho State Independent Auto Dealers Association; Amy Smith, Division of Motor Vehicles Business Analyst, Brian Goeke, Motor Vehicle Program Supervisor, Alan Frew, Division of Motor Vehicles Administrator, Idaho Transportation Department; Nick Veldhouse, Idaho Association of Highway Districts; Kevin Hanigan, Idaho Automobile Dealers Association; Laila Kral, Jeff Miles, Local Highway Technical Assistance Council

Chairman Palmer called the meeting to order at 1:32 P.M.

H 131: **Bobby Petersen**, Idaho State Independent Auto Dealers Association, presented **H 131**. The purpose of this legislation is to prevent those who have been convicted of crimes pertaining to the car business from immediately re-applying for and receiving a dealer or sales license. Under the existing code, these criminals can obtain a new license even if they haven't made any restitution for the damage they have caused by their previous illegal activity. With these changes to the Code, a license may be denied until a specified amount of time has passed since the previous conviction and/or until proper restitution has been made to those injured by previous crimes.

In response to committee questions, **Mr. Petersen** provided an example of crimes committed in conjunction with a dealership, stating a dealer and two salesmen have been convicted of money laundering through the business. All three of them were able to get re-licensed. This legislation is not attempting to keep anyone away from the business, but to prevent those convicted of defrauding others from re-entering the business.

In response to committee questions, **Mr. Petersen** stated the Idaho Transportation Department is the issuer of the licenses, but the revocation of licenses is done through a hearing officer hired by ITD as a non-partial entity. The Dealer Advisory Board monitors the situation.

In response to committee questions, **Mr. Petersen** stated the instances of crime in this business are frequent, with the most common crime being the inability to provide titles or have a method of providing them. It is a statewide issue.

In response to committee questions, **Amy Smith**, Division of Motor Vehicles Business Analyst, Idaho Transportation Department, stated the most common crime was not providing a title, which even on the first infraction, was cause for citation. Usually if one customer has not been provided a title, others have not. Other common citations include not operating outside of the principle place of business, and not having the means to procure the title. A full list of offenses can be found under Title 49, Chapter 5 Idaho Code. These crimes cause the cancellation and/or revocation of dealer licensing.

In response to committee questions, **Mr. Petersen** stated this legislation will put an end to a dangerous loophole that does nothing to stop dealer reapplication once their license has been revoked.

Rep. Gannon invoked Rule 38.

**UNANIMOUS
CONSENT:**

Rep. Gannon requested unanimous consent to not vote on **H 131**. There being no objection, the request was granted.

MOTION:

Rep. McDonald made a motion to send **H 131** to the floor with a **DO PASS** recommendation. **Motion carried by voice vote.** **Rep. Hixon** will sponsor the bill on the floor.

ADJOURN:

There being no further business to come before the committee, the meeting was adjourned at 1:47 P.M.

Representative Palmer
Chair

Jasmine Platt
Secretary