

MINUTES  
**SENATE TRANSPORTATION COMMITTEE**

**DATE:** Thursday, March 08, 2018

**TIME:** 1:30 P.M.

**PLACE:** Room WW53

**MEMBERS PRESENT:** Chairman Brackett, Vice Chairman Nonini, Senators Keough, Hagedorn, Den Hartog, Lodge, Harris, and Buckner-Webb

**ABSENT/ EXCUSED:** Senator Winder

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

**CONVENED:** **Chairman Brackett** convened the meeting of the Senate Transportation Committee (Committee) at 1:34 p.m. He welcomed Senate Page Tessa Fronk and said that she would be assisting the Committee page.

**H 509** **Chairman Brackett** welcomed Representative Terry Gestrin to the Committee and asked him to present **H 509**, legislation dealing with nonresident license plate stickers for recreational vehicles.

**Representative Gestrin** said in his legislative district there are many outdoor recreation opportunities and activities; they include operating Off-Road Vehicles (ORV) on trails built and maintained by funds received from the Idaho Department of Parks and Recreation's (IDP&R) licensing sticker program. Idaho is ranked as one of the top three states for best outdoor experiences.

In 1972, the dirt bikers asked the Legislature to create a fund at IDP&R to pay for trail maintenance. **H 509** creates an annual \$12 nonresident sticker fee. The sticker has the same purpose and at the same price as a state resident. The bill would also offer an opportunity to purchase a two-year sticker, and create a \$24 sticker for rented equipment. In conclusion, **Representative Gestrin** thanked the Committee and stood for questions.

**DISCUSSION:** **Chairman Brackett** questioned the bill's Fiscal Note which indicates there is no impact on the General Fund, but he wondered as to the impact on the fund overseen by IDP&R. **Representative Gestrin** stated the data needed to accurately arrive at that figure was not available, but they expected it to be positive.

**Senator Harris** said in his legislative district many trails extend into Utah and Wyoming; he wondered if there was a reciprocity registration system with Idaho's surrounding states. **Representative Gestrin** said he understood that Wyoming offers an out-of-state sticker fee to Idaho residents, and it is his understanding that Idahoans can utilize Utah trails without paying a fee. However, charging a fee is more common than not charging a fee. There were no further questions.

**TESTIMONY:** **Chairman Brackett** thanked Representative Gestrin and welcomed David Claiborne, an attorney with Sawtooth Law and President of the Idaho State All Terrain Vehicle Association (ISATVA), and asked him to present his testimony.

**Mr. Claiborne** said his testimony was offered on behalf of ISATVA and the Idaho Recreation Council, both of whom support this legislation. He continued that **H 509** was brought forward as a response to requests from trail users. He explained how the revenue from sticker sales would be distributed. As for imposing a higher fee for rental equipment, it is part of the bill because those vehicles have a greater impact on trail use.

With regard to reciprocity, in past Legislative Sessions there have been unresolved discussions regarding fee increases, changing fee allocations, and treatment of nonresidents. He noted the winter snowmobile program already requires nonresidents to buy a snowmobile sticker and the program continues to grow. Since implementation, nonresidents come to Idaho to snowmobile even if they do not have reciprocity with their home state. Idaho is also charging nonresident fees for fishing and hunting, and is developing consistency in these areas. Because of funding needs, it was thought appropriate to seek fees from nonresidents before seeking increases for Idaho residents.

**Mr. Claiborne** said they conducted a survey to see if users would support this legislation. There are nearly 3,000 members and 100,000 registered machines in Idaho; 81,730 households in Idaho have registered ORVs. The results from a postcard survey showed that 62 percent favored a nonresident fee and 93 percent favored a two-year sticker. He concluded by stating this bill is a matter of fairness and consistency that increases funding without impacting residents. He stated there is no positive fiscal impact because data on nonresident use has not been required or collected. **Mr. Claiborne** asked for a do pass recommendation.

**MOTION:**

**Senator Hagedorn** moved to send **H 509** to the floor with a **do pass** recommendation. **Vice Chairman Nonini** seconded the motion. The motion passed by **voice vote**. **Senator Hagedorn** offered to carry the bill on the Senate floor.

**H 497**

**Chairman Brackett** reminded the Committee they had previously heard **H 497**, legislation clarifying who needs to be notified when a vehicle has been towed. At that hearing, the Committee voted to hold **H 497** subject to the call of the Chair. He was informed that the sponsors and the presenter have worked to resolve the issues of concern to the Committee. As such, he welcomed Representative Monks to the Committee and asked him to present **H 497**.

**Representative Monks** said since the Committee had previously heard **H 497**, he asked if Ty Palmer of Capitol Auto Loan could address the concerns previously raised. **Representative Monks** said he would like to make closing remarks following Mr. Palmer's testimony.

**Chairman Brackett** welcomed Mr. Palmer and asked him to take the podium.

**Mr. Palmer** said in the event a law enforcement officer requests a vehicle be towed, the officer is required to produce a report that they provide to the owner either at the scene of the tow or later by mail. **H 497** alters Idaho Code to add that the lienholder will also be provided a copy of the report form. One of the concerns brought by Idaho State Police (ISP) was the amount of staff time required to search for the information about a lienholder.

Idaho Code § 49-1803A(2)(a) already requires the law enforcement officer ordering the tow to complete a notice form containing the name and addresses of the registered owner and the lienholder. There was no issues with this notification requirement from local law enforcement as they already collect the lienholder information when filling out the towing form. **Mr. Palmer** said they were excited about the opportunity to save their customers millions of dollars by having timely notice so they can remove the vehicle from an impound facility. They can then work with their customer on reclaiming their property, rather than facing the mounting towing and storage fees. He attempted to cover specific issues raised at the previous hearing, but said he would address any remaining concerns.

**Senator Hagedorn** asked if the intention was to bail out the vehicle so the lienholder could work with their customer. **Mr. Palmer** answered that was often the case. Many of their customers receive second-chance loans. They are not always in a position to retrieve a towed vehicle immediately, and the fees continue to mount until the amount due becomes too unrealistic for their financial position. As a lienholder, retrieving a towed vehicle benefits both parties. There were no further questions.

**TESTIMONY:** **Chairman Brackett** welcomed Ryan Fitzgerald of Northwest Credit Union Association and asked him to testify.

**Mr. Fitzgerald** said that lienholder notification was especially important to small credit unions throughout Idaho. A significant amount of staff time is spent locating cars all over the United States and even into Mexico. Lienholders try to quickly find lower-valued cars because a towing company will sell the vehicle when the fees exceed the vehicle's value. At that point, a lienholder can only send the title and write-off the loan. Currently, Idaho credit unions have 250,000 car loans on their books. **Mr. Fitzgerald** concluded by saying he supports **H 497**, and he stood for questions.

**DISCUSSION:** **Senator Nonini** asked how many of those loans are simply bad debt. **Mr. Fitzgerald** said he did not bring data on bad loans. There were no further questions.

**Chairman Brackett** thanked Mr. Fitzgerald and asked Representative Monks to close.

**TESTIMONY:** **Representative Monks** stated he wanted to address the concerns about the additional notification cost. ISP was going above and beyond statute by sending certified notifications to the towed vehicle's owner. He understood why ISP made this choice. His concern was that ISP thinks they need to send certified notifications to lienholders, though that is not what **H 497** would require. Lienholders expect notifications to be sent by First Class mail; they do not want ISP to spend extra funds on certified mail. The Fiscal Note was revised to reflect an amount if sent by certified mail, but that is not what is expected. He concluded by thanking Chairman Brackett and the Committee for reconsidering **H 497**.

**MOTION:** **Senator Den Hartog** moved to send **H 497** to the floor with a **do pass** recommendation. **Senator Buckner-Webb** seconded the motion.

**DISCUSSION:** **Senator Hagedorn** said ISP was not sending notifications by First Class mail but by certified mail in order to have a paper record for potential litigation. He was concerned that an evidentiary record would not exist for lienholder notifications.

**SUBSTITUTE MOTION:** **Senator Hagedorn** moved to send **H 497** to the **14th Order** for amendment. The motion died for lack of a second.

**VOTE ON ORIGINAL MOTION:** The original motion passed by **voice vote**. **Senator Den Hartog** offered to carry the bill on the Senate floor.

**ADJOURNED:** With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 2:08 p.m.

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Senator Brackett  
Chair

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Gaye Bennett  
Secretary