

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Thursday, March 21, 2019

TIME: 1:00 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Brackett, Vice Chairman Crabtree, Senators Winder, Den Hartog, Lodge, Rice, Burtenshaw, Mathias(Buckner-Webb), and Nelson

**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** convened the meeting of the Senate Transportation Committee (Committee) at 1:03 p.m.

H 179AA **Chairman Brackett** invited Representative Furniss to present **H 179aa**.

Representative Furniss said that this legislation came from the National Association of Insurance and Financial Advisors (NAIFA) because people are driving without insurance. Idaho law requires a driver to have insurance in order to operate a vehicle on Idaho roads. **H 179aa** matches the Vehicle Identification Number (VIN) with insurance policies. There is currently an existing portal that matches them up, so the Idaho State Police (ISP) or the Idaho Transportation Department (ITD) can pull up the registration and see if there is insurance on the vehicle. Currently, the only time insurance coverage is checked for liability insurance is when the driver gets a ticket or there is an accident, which is too late to discover whether a vehicle is covered by insurance. ISP issues 1,000 tickets per month for vehicles without liability insurance.

H 179aa is coming to the legislative process late because it has been tested by looking at the error rates over the past three months to make sure there are good results in matching vehicles with insurance. During the process they have worked with ITD, the Department of Motor Vehicles (DMV), the House Speaker, the Director of the Idaho Department of Insurance, and many attorneys to ensure issues and concerns were being addressed. After running matches through the vehicle registration portal the first time, they discovered that 365,000 vehicles were not insured. Some were new vehicles, vehicles in transition between registration date and insurance date, or vehicles being sold. The next month they ran the program again, and there were only 150,000 uninsured vehicles. This bill requires that the portal refresh each month, and then it will check VIN numbers with insurance policies; this will be repeated every month.

If a vehicle is uninsured, a warning notification will be sent indicating the vehicle is uninsured and giving the owner 30 days to provide proof of insurance. There is also an opportunity for people to opt-in on e-mail notifications, which saves ITD money, and there are some other exceptions. The program won't go into operation until January, 2020. There are 43 other states that verify insurance coverage at the time of registration. **Representative Furniss** concluded by asking the Committee to send this bill to the Senate floor with a do pass recommendation.

DISCUSSION: **Senator Rice** asked how many of the 1,000 tickets are dismissed because the driver shows proof of insurance at the court hearing. **Representative Furniss** said these are not warnings, they are actually tickets. **Senator Rice** said many actual tickets given out are dismissed in court because the driver just didn't have the proof of insurance at the time the ticket was issued. He wanted to know how many tickets were dismissed because the vehicle was actually insured. **Representative Furniss** said these were actually paid tickets and insurance proof was not presented.

Senator Burtenshaw asked about reinsuring a vehicle that had not been on the street for a period of time, and wondered if reinstatement notifications would automatically go to the DMV or if the owner needed to call DMV. **Representative Furniss** replied that when insurance is suspended, a notice is sent. The owner needs to call DMV and explain why the insurance was suspended (for example, a specialty vehicle only driven a specific time of the year). Every month the VIN number will be matched with insurance policies, and there is possibly a one-month lag, but it will show that your vehicle is no longer suspended.

Chairman Brackett asked if a driver was ticketed for speeding whether it is no longer necessary to carry a proof of insurance because the officer can check it online. **Representative Furniss** said the proof of insurance would still need to be shown.

Senator Winder asked if the driver didn't have proof, could the officer look it up so that the driver would not be fined for that part of the violation. **Representative Furniss** said they could look it up, but they do not have to. That question is beyond the scope of this bill.

TESTIMONY: The following people testified in support of **H 179aa**: **Woody Richards**, representing Allstate Insurance Company, American Family Insurance Company, and Farm Bureau Mutual Insurance Company; **John Mackey**, representing United Heritage Financial Group of Meridian; and **Mike Brassey**, representing State Farm Insurance.

Questions from the Committee came from **Vice Chairman Crabtree**, **Senator Nelson**, and **Senator Rice**. Responses to their questions were deferred to **Alberta Gonzales**, Director of DMV at ITD, who offered the following information with regard to the Fiscal Note: 1.) costs in the beginning will be high because the status of the vehicles are unknown; 2.) some changes to the mainframe will need to take place; 3.) postage costs from sending out notices is the highest initial cost, but it will go down as the program moves forward; and 4.) initially, temporary employees will be utilized, and the three full-time employees, or FTEs, are consider a downstream expense.

MOTION: **Senator Winder** moved to send **H 179aa** to the floor with a **do pass** recommendation. **Senator Burtenshaw** seconded the motion. The motion passed by **voice vote**. Chairman Brackett will carry the bill on the Senate floor.

VOTE ON GUBERNATORIAL APPOINTMENT: **Senator Nelson** moved to send the Gubernatorial appointment of James R. Thompson to the Idaho Transportation Board to the floor with the recommendation that he be confirmed by the Senate. **Senator Winder** seconded the motion. The motion passed by **voice vote**. Senator Woodward will carry the appointment on the Senate floor.

MINUTES APPROVAL: **Vice Chairman Crabtree** moved to approve the Minutes of February 12, 2019. **Senator Lodge** seconded the motion. The motion passed by **voice vote**.

Senator Lodge moved to approve the Minutes of March 14, 2019. **Vice Chairman Crabtree** seconded the motion. The motion passed by **voice vote**.

**PAGE
GRADUATION:**

Chairman Brackett asked Committee Page Makenna Moore to step into the well to receive letters and gifts from the Committee. He commented on the great help she offered the Committee during her time as a page. **Chairman Brackett** invited Ms. Moore to take the podium and respond to questions.

Chairman Brackett asked for her thoughts about the time she has served the Committee. **Ms. Moore** said she had a great time and was glad she had the opportunity to be a page. She said that she was very nervous at first, but the previous Committee page assured her the Committee members were kind, real people. She was able to relax after that and has enjoyed every minute of her time as a page.

Senator Winder conveyed that she had done an excellent job while here. He commented that initially this page class was the most quiet he could remember, but after the first week their personalities began to come out. He told her he hoped she enjoyed her time during this Legislative Session, and wondered what her plans were after she graduated from high school. **Ms. Moore** said she has been accepted at the University of Idaho and plans to study natural resources. She does not know exactly what she wants to become, but she would like to work with the Forest Service or as a game warden.

ADJOURNED:

With no further business before the Committee, **Chairman Brackett** adjourned the meeting at 1:42 p.m.

Senator Brackett
Chair

Gaye Bennett
Secretary