

MINUTES
SENATE TRANSPORTATION COMMITTEE

DATE: Thursday, March 26, 2026

TIME: 1:00 P.M.

PLACE: Room WW53

MEMBERS PRESENT: Chairman Okuniewicz, Vice Chairman Keyser, Senators Burtenshaw, Hart, Adams, Galloway, Kohl, Rabe, and Semmelroth

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 Okuniewicz** called the meeting of the Senate Transportation Committee (Committee) to order at 1:00 p.m.

PRESENTATION: **Celebrating Page Olivia Earle - 68th 2nd Regular Session. Ms. Earle** stated that the Senate Page Program had been a very positive and rewarding experience. She highlighted being surrounded by peers who shared a genuine interest in government and public service, which created a strong sense of community, and noted that the other pages were supportive, respectful, and easy to connect with. She said she appreciated how approachable and personable the Senators were and felt comfortable engaging with them. Rather than experiencing a strong hierarchy, she felt she worked collaboratively alongside the Senators, especially when assisting them one-on-one. She observed Senators occasionally skipping Committee meetings and being sent to retrieve them. She noted that everyone operated on a similar level, which differed from her expectation that she would be more separated from the Senators and primarily working with other pages. She added that she was glad she had the opportunity to be involved with the Senate Page Program.

PASSED THE GAVEL: Chairman Okuniewicz passed the gavel to Vice Chairman Keyser.

MINUTES APPROVAL: **Senator Rabe** moved to approve the Minutes of March 12, 2026. **Senator Adams** seconded the motion. The motion carried by **voice vote**.

MINUTES APPROVAL: **Senator Adams** moved to approve the Minutes of March 17, 2026. **Senator Kohl** seconded the motion. The motion carried by **voice vote**.

H 927 **TRAFFIC INFRACTIONS - Amends and adds to existing law to provide for suspension of driver's licenses when a person is 60 days or more delinquent in paying the penalty for a moving traffic infraction. Representative Mark Sauter** said the bill was inspired by a district meeting in Bonners Ferry, where a mother raised concerns after her children were struck on Highway 95. After gathering feedback and consulting law enforcement, he learned that many drivers cited for unsafe driving had not paid prior fines.

Representative Sauter found that since the Legislature stopped suspending licenses for unpaid infractions in 2018, unpaid traffic fines had grown from about \$1 million to over \$23 million. The bill aimed to improve public safety, promote accountability, and recover unpaid fines by reinstating consequences for unpaid moving violations. It applied only to moving violations (not parking or minor offenses) and affected about 125,000 cases. The bill allowed payment

plans, provided a 60-day notice period, and included exceptions for work and medical needs if licenses were suspended. It was developed with input from law enforcement, courts, and local governments, and had broad support.

DISCUSSION: **Senator Kohl** asked what the reasoning had been behind the 2018 decision regarding police stops. **Rep. Sauter** said he did not know the exact reasoning but believed the change was intended to shift to civil collection methods instead of involving prosecutors and public defenders, with the expectation of saving resources.

TESTIMONY: **Mike Miraglia**, Idaho Fraternal Order of Police, testified in support of the bill. He said the measure would restore accountability for dangerous drivers who had avoided paying fines. He noted that since the 2018 policy change, Idaho had fallen out of sync with interstate agreements, limiting law enforcement's ability to receive and act on information about out-of-state drivers with violations or suspensions. He explained that this reduced officers' access to important information during traffic stops and affected their ability to make informed enforcement decisions.

Matthew Conde, AAA Idaho, testified in support of the bill, noting that it balanced justice and mercy through payment plans, judicial discretion for financial hardship, and allowances for medical or work emergencies. He said he appreciated that parking violations were excluded. **Mr. Conde** explained that the bill addressed unintended consequences from the 2018 law, and even the original sponsor had worked previously to correct these issues.

DISCUSSION: **Senator Adams** asked Mr. Conde why unpaid traffic violations were not being collected through tax intercepts or sent to collection agencies, as allowed by a 2018 State Supreme Court ruling, and requested any insight to support the bill. **Mr. Conde** said he did not know why tax intercepts or collections had not been used. He added that the unpaid fines indicated some drivers were ignoring the law, which could lead to unsafe behavior and accidents. He emphasized the need to ensure drivers followed the rules to prevent harm and additional costs.

MOTION: **Senator Semmelroth** moved to send **H 927** to the floor with a **do pass** recommendation. **Senator Rabe** seconded the motion.

SUBSTITUTE MOTION: **Senator Adams** moved to hold **H 927** in Committee. **Senator Kohl** seconded the motion. The motion passed by **voice vote**. **Senators Semmelroth** and **Rabe** requested to be recorded as voting nay.

H 508 **TRANSPORTATION - Amends and adds to existing law to revise provisions regarding bicycle and pedestrian projects.** **Representative Brooke Green** introduced **H 508** as a simple follow-up to prior legislation. The bill made two key changes: it allowed government entities to use federal grants or funds for highway-related projects, and it clarified that violations of the law applied only to elected officials. The earlier bills had restricted adding bicycle or pedestrian improvements unless they were secondary to highway or road projects. This bill maintained that framework while adding flexibility for federal funding. It also responded to stakeholder feedback—especially from consultants—by limiting enforcement to elected officials.

DISCUSSION: **Senator Hart** asked if the bill provided that bicycle improvements could not be made unless federal funding was included in the project. **Representative Green** explained that bicycle and pedestrian improvements had to be secondary to maintenance or capital projects. She added that federal funds or grants could be used to support such projects, but it was not required to receive them, according to her interpretation.

MOTION: **Senator Burtenshaw** moved to send **H 508** to the floor with a **do pass** recommendation. **Senator Rabe** seconded the motion.

SUBSTITUTE MOTION:

Senator Hart moved to hold **H 508** in Committee. **Senator Kohl** seconded the motion. The motion failed by voice vote.

ORIGINAL MOTION:

The original motion carried by **voice vote**. **Senators Hart** and **Kohl** requested to be recorded as voting nay.

S 1424

MOTOR VEHICLES - Amends exiting law to provide for an exception for licensed dealers in Idaho for a manufacturer or distributor with a manufactured-owned or distributor-owned dealership. Representative Ted Hill stated that **S 1424** aimed to block future direct-to-consumer vehicle sales models from entering Idaho while allowing existing manufacturer-owned dealerships to continue operating under a grandfather clause as of January 1, 2026. He said the bill was motivated by concerns over foreign economic threats, particularly from China and the Chinese Communist Party (CCP). He argued that Chinese companies, such as BYD (an electric vehicle manufacturer), could use direct sales models and government-backed advantages to undercut U.S. companies, dominate the market, and later raise prices. The bill was intended to prevent these perceived predatory trade practices and protect American industries, especially in emerging sectors like electric vehicles, which the sponsor viewed as strategically important.

Jim Addis, Idaho Auto Dealers Association, testified in support of the bill, emphasizing concerns about China's economic practices. He argued that Chinese companies operated closely with their government and used a state-controlled, non-market approach to produce goods below cost and dominate global industries. He pointed to examples such as solar panel manufacturing shifting largely to China and warned that similar practices could impact the auto industry, particularly with electric vehicles.

Mr. Addis also highlighted recent tariff changes in Canada that allowed increased entry of low-cost Chinese vehicles, raising concerns about similar risks in the U.S. He stressed the importance of the auto industry to Idaho's economy, noting it contributed significantly to sales tax revenue and supported over 12,000 jobs. He said the bill would help protect local markets by aligning Idaho with other states in preventing unfair competition and ensuring safeguards against potential federal policy changes that could open the market to predatory practices.

DISCUSSION:

Senator Adams asked who maintained the data from the sensors and cameras on electric cars coming from China. **Mr. Addis** explained that the vehicles used Chinese-designed software and hardware systems, raising concerns that the Chinese government could access data from sensors and cameras. He said this posed greater privacy and national security risks than existing issues with American or European manufacturers and emphasized the large economic impact on the automotive industry.

Senator Hart stated when reviewing the bill—particularly the new language on page four—it appeared that an exemption was being provided for Idaho-based companies. He asked Mr. Addis to clarify whether that interpretation was correct and explain the intent behind that provision. **Mr. Addis** responded that the companies in question had already been granted that ability years earlier, and he did not believe it was appropriate to take away an existing right. He noted that only a couple of companies had used this model over the past decade, while most others had failed, and said it would be unfair to revoke the privilege from those currently operating.

Senator Kohl asked Mr. Addis whether his concerns about predatory economic practices were specifically tied to China, and how the bill ensured it addressed those risks without explicitly naming a particular country. **Mr. Addis** responded

that legal guidance from federal agencies and national automotive trade attorneys indicated the bill could not explicitly target a specific country without violating the Commerce Clause, since foreign trade regulation was controlled by the federal government. He said experts advised that such an approach would not hold up in court. He added that the bill instead aligned with federal trade frameworks and was intended as a safeguard in case federal protections changed in the future, allowing Idaho to take a position against potentially harmful practices within the State.

TESTIMONY: **Shannon Fender** testified in opposition to **S 1424**, (representing Scout Motors), an American Electric Vehicle (EV) startup founded in 2022. She explained that Scout Motors used a direct-to-consumer sales model and never employed franchise dealers in Idaho or elsewhere. She said Idaho law allowed such manufacturers to invest in the State, create jobs, and sell directly to consumers, fostering competition and consumer choice. She argued that the bill would unfairly penalize American companies like Scout Motors, favored older direct-sale companies through a grandfather clause, and could face legal challenges. She urged the Committee to hold the bill for further deliberation and refinement.

DISCUSSION: **Senator Adams** asked what Scout Motors' footprint in Idaho was and how many vehicles the company sold directly in the state each year. **Ms. Fender** replied that Scout Motors was currently in pre-production, building its manufacturing facility in South Carolina and designing vehicles in Detroit. She said the company planned to begin production in late 2027 for the 2028 model year and hoped to maintain the option to establish physical sales and service facilities in Idaho once they entered the market.

Senator Semmelroth asked why the franchisee option did not work. **Ms. Fender** explained that, unlike traditional franchise dealers protected under franchise laws, Scout Motors did not have franchise relationships. She said this allowed the company to use a direct-sales model, providing customers with greater transparency, a digital corporate experience, and the ability to customize their vehicles.

TESTIMONY: **Skye Golann** Policy Manager, Electrification Coalition, testified that Idaho had been a leader in consumer choice by allowing direct-to-consumer vehicle sales, which generated tax revenue and created jobs. He said **S 1424** would limit consumer freedom, forcing some residents to buy or service vehicles out of state. He noted that the bill would restrict access for innovative U.S. companies like Scout, Lucid, and others, creating an uneven playing field by favoring certain manufacturers. He argued that direct sales did not harm franchise dealerships, citing data showing franchise dealer revenue grew faster in states allowing direct sales. He urged the Committee to reject the bill to preserve consumer choice and support a strong economy.

S 1424 **Jim Addis**, Idaho Auto Dealers Association, closed by explaining that existing Idaho law already prohibited manufacturers from bypassing franchise dealers, citing the Mercury/Ford example. He said Scout, as a Volkswagen subsidiary, could not legally sell directly around Volkswagen dealers under current code. He emphasized that becoming a franchise dealer in Idaho involved minimal requirements and low costs, ensuring a level playing field. He argued the bill protected small, local dealerships from large corporations using unfair competitive practices, supporting Idaho's small businesses and preserving fair competition.

Representative Hill said in closing that the bill was not anti-competitive and that car networks were adequate. He emphasized that China had made EV a strategic national priority and posed risks of surveillance and unfair competition. He noted the importance of protecting Idaho and U.S. markets, highlighted vulnerabilities in

minerals and semiconductors, and stressed that the bill aimed to preserve national security and prevent predatory practices while maintaining a fair market.

MOTION: **Senator Semmelroth** moved to send **S 1424** to the floor with a **do pass** recommendation. **Senator Adams** seconded the motion. The motion carried by **voice vote**. **Senators Rabe** and **Hart** requested to be recorded as voting nay.

H 666 **TRANSPORTATION - Amends existing law to require a person to apply for a driver's license, register vehicles, and obtain a certificate of vehicle title within 30 days of becoming an Idaho resident. Representative James Petzke,** explained the bill required new Idaho residents to obtain a driver's license and register their vehicle within 30 days of moving to the state. It aimed to ensure compliance, noting that some individuals had previously driven for years with out-of-state plates without updating their registration or license, effectively using Idaho roads without contributing to their upkeep. The bill aimed to ensure all new residents complied promptly and paid for road usage.

PASSED THE GAVEL: Vice Chairman Keyser passed the gavel to Chairman Okuniewicz.

MOTION: **Senator Galloway** moved to send **H 666** to the floor with a **do pass** recommendation.

SUBSTITUTE MOTION: **Senator Hart** moved to hold **H 666** in Committee. **Senator Adams** seconded the motion.

AMENDED SUBSTITUTE MOTION: **Senator Burtenshaw** moved to send **H 666** to the 14th Order of Business for possible amendment. **Senator Semmelroth** seconded the motion. The motion carried by **voice vote**. **Senators Hart** and **Adams** requested to be recorded as voting nay.

DISCUSSION: **Senators Hart** and **Adams** emphasized allowing new Idaho residents adequate time to update their vehicle registration and driver's license. **Senator Adams** agreed with the 30-day period for establishing residency but expressed concern about imposing penalties within that window, pointing out the real-life challenges people faced when relocating, such as managing housing, schools, and daily needs. Both supported the 30-day timeframe but differed on whether fines should apply during that period.

H 717AA **MOTOR VEHICLES - Amends existing law to provide for registration fees. Representative Stephanie Mickelsen** explained that the bill followed a prior measure addressing people moving into Idaho without registering their vehicles or obtaining Idaho licenses. She stated that some individuals exploited a neighboring state's system by creating LLCs and using PO boxes to avoid paying sales tax while still driving on Idaho roads. She reported that an estimated 125,000 to 135,000 unregistered vehicles in Idaho were causing a loss of about \$9 to \$10 million in road funding. The bill required new residents to register their vehicles in Idaho if they were driving on state roads, emphasizing fairness so all residents contributed equally.

Representative Mickelsen noted that a recently passed law removed registration stickers from license plates, which reduced incentives for compliance. To address special cases, such as non-operational vehicles, the bill allowed owners to notify the Idaho Transportation Department (ITD) and avoid fines. She concluded that the measure specifically targeted new residents and aimed to ensure they properly registered their vehicles in Idaho.

DISCUSSION: **Senator Burtenshaw** stated that he and Representative Mickelsen had previously discussed the issue and felt that 30 days was too short, agreeing that 60 days was more reasonable. He explained that this was why he had referenced that timeframe in the previous bill and added that they would move the measure to the 14th Order of Business.

TESTIMONY: **Sara Westbrook**, Idaho Association of Counties (IAC), expressed appreciation to Representative Mickelsen for addressing the issue of unregistered vehicles using Idaho roads. She explained that road maintenance required funding and that fines collected under the bill would be distributed 60–40 between the state and local governments. She confirmed the IAC's support for the bill. She also noted that county assessors handled vehicle registration, titling, and homeowners exemptions. She explained that information sharing with ITD and the Division of Motor Vehicles (DMV) helped verify residency status, which could also be used to determine eligibility for homeowners exemptions.

DISCUSSION: **Chairman Okuniewicz**, asked whether the ITD was aware of and prepared to investigate homeowners exemptions and enforce the new law if it went into effect. **Ms. Westbrook** responded that county assessors were responsible for investigating homestead exemptions. She explained that they determined whether someone held exemptions in more than one county by reviewing records shared with the Idaho State Tax Commission and the DMV, which allowed them to identify duplicate claims.

Senator Kohl asked whether, despite concerns about people not paying their fair share for highways, everyone paid taxes at the gas station that also contributed to highway funding, and whether he was mistaken about that. **Representative Mickelsen** explained that Idaho had not been keeping up with road and bridge funding through the gas tax alone. She noted that as more electric vehicles entered the State, they did not pay gas taxes, so registration fees became the primary way to ensure they contributed. She added that electric and hybrid vehicles were charged higher registration fees to account for their share of road funding compared to traditional combustion engine vehicles.

MOTION: **Senator Burtenshaw** moved to send **H 717aa** to the 14th Order of Business for possible amendment. **Senator Semmelroth** seconded the motion.

ROLL CALL VOTE: **Chairman Okuniewicz** requested a Roll Call Vote. **Senators Burtenshaw, Rabe, Semmelroth** and **Chairman Okuniewicz** voted aye. **Senators Hart, Adams, Kohl** and **Vice Chairman Keyser** voted nay. The motion failed.

ADJOURNED: There being no further business at this time, **Chairman Okuniewicz** adjourned the meeting at 2:47 p.m.

Senator Okuniewicz
Chair

Melissa Price
Secretary