

**BEFORE THE IDAHO TRANSPORTATION DEPARTMENT**

MARTIN EQUIPMENT,	)	
	)	OAH Case No. 24-290-41
Petitioner,	)	
v.	)	<b>FINDINGS OF FACT, CONCLUSIONS</b>
	)	<b>OF LAW, AND PRELIMINARY ORDER</b>
IDAHO TRANSPORTATION	)	
DEPARTMENT,	)	
	)	
Respondent.	)	
_____	)	

This matter was assigned to Hearing Officer Leslie Hayes on May 30, 2024. A hearing was set for June 21, 2024. The remote, half-day hearing was held via Zoom. Hearing Officer Leslie Hayes, Representative Mick Martin (Mr. Martin) and Mr. Martin’s son, Adam Martin, for Martin Equipment, Idaho Transportation Department (ITD) counsel Deputy Attorney General Paul Schlegel and ITD representative David Larsen participating. The hearing was recorded by Zoom and a court reporter was present.

At the hearing, both parties stipulated to the proposed exhibits in these proceedings. Hearing at 10:46-11:56. ITD exhibits 1-15 and Martin exhibit 1 are hereby admitted.

Based upon the hearing and administrative record, the Hearing Officer makes the following Findings of Fact and Conclusions of Law pursuant to Chapter 5, Title 49, Idaho Code, IDAPA 39.02.05, and 62.01.01.252.d.

**FINDINGS OF FACT**

1. Martin Equipment purchased a 2013 Jeep Wrangler on November 13, 2023, at an auction in Ogden, Utah. ITD Ex. 2, p. 2; Hearing at 56:58-57:06.

2. The Jeep purchased by Martin Equipment has the Vehicle Identification Number (VIN) of 1C4BJWDGDL522652. ITD Ex. 1, p. 1; Hearing at 16:42-17:15.

3. The Utah Certificate of Title showed the vehicle as “salvage vehicle not suitable for registration.” ITD Ex. 2, p. 1.

4. On February 10, 2024, Mr. Martin, on behalf of Martin Equipment, applied for a “rebuilt salvage” certificate of title for the Jeep in Ada County, Idaho. ITD Ex. 4.

5. Mr. Martin testified that he repaired the vehicle and that it was operational when applied for an Idaho certificate of title. Hearing at 57:07-58:16.

6. On February 26, 2024, the Jeep was sold to Morris Yates. ITD Ex. 7.

7. A formal certificate of title was issued on February 27, 2024. ITD Ex. 6.

8. Mr. Yates then submitted an application for certificate of title. ITD Ex. 8.

9. It was Mr. Yates’ application for certificate of title that alerted ITD that the Martin Equipment “rebuilt salvage” title was issued in error. Hearing at 29:02-30:35.

10. As part of the titling process, ITD receives a report from the National Motor Vehicle Title Information System (NMVTIS), which is a national database that “is basically acts as a transparent history of a vehicle from the time that it’s built, including any incidents that occur with the vehicle over the history from state to state.” ITD Ex. 1; Hearing at 17:35-19:03.

11. ITD sent a letter dated April 8, 2024, informing Mr. Martin that the application for the title for the 2013 Jeep Wrangler was in suspense due to incomplete information or missing documentation. ITD Ex. 9.

12. A Title Recall Notice Letter, dated May 16, 2024, notified Mr. Martin that it had been determined upon review that the Jeep Wrangler had a “Junk” brand attached to it from the State of Texas. ITD Ex. 12.

13. Because of this “Junk” brand, ITD was unable to issue a certificate of title for any other purpose other than to send the vehicle to a junk yard for scrap or parts. Hearing at 20:55-22:24.

14. ITD received Mr. Martin’s request for an administrative hearing on ITD’s designation of the Jeep Wrangler as a “Junk” vehicle on May 6, 2024. ITD Ex. 11.

15. David Larsen, Motor Vehicle Program Supervisor, testified in the hearing that Idaho prioritizes the lowest title available in the NMVTIS Vehicle Report. Hearing at 14:09-14:12, 20:01-20:52, 22:16-22:24. Under NMVITS, the lowest title of the Jeep is “Junk.” ITD Ex. 1, p. 1; Hearing at 22:35-23:05.

16. The description provided by NMVITS is “the vehicle is incapable of safe operation for use on the roads or highways.” ITD Ex. 1, p. 1. Idaho applies a similar description to “Junk” vehicles. Hearing at 22:06-22:12.

17. Mr. Larsen testified that the current condition of a vehicle does not matter because once a vehicle has been branded as “Junk,” it is inoperable for the Idaho roads. Hearing at 36:34-36:52. It cannot be used on Idaho roads nor rebuilt. *Id.*

18. Mr. Martin, on behalf of Martin Equipment, submitted photographs of the Jeep in question and stated that “[t]his vehicle is 100% operational [with] new steering components[,] new suspension links, no frame damage[,] all single lights headlights and horn are functioning as they should[, and the] air bags have [sic] never been deployed[.]” Martin Ex. 1.

### **CONCLUSIONS OF LAW**

1. ITD is tasked with issuing certificates of title for vehicles owned and operated in the State of Idaho. I.C. § 49-202.

2. ITD is further authorized to recall, cancel, or otherwise revoke improperly issued certificates of title. See I.C. § 49-508.

3. Idaho Code section 49-508(1) states:

If it appears that a certificate of title has been improperly issued, the department shall, after notice and hearing, cancel the certificate. The notice shall be served in person or by first class mail to the person to whom that certificate of title was issued, as well as any lienholders appearing thereon. The holder of the certificate of title shall return it to the department upon cancellation, but the cancellation of any certificate of title shall not affect the validity of any lien recorded on it.

4. Idaho Code section 49-525(4) states that “[e]very brand retrieved from the national motor vehicle title information system shall be carried forward to all subsequent titles issued by this state.”

5. A “brand” is the

designation on a vehicle’s certificate of title or other ownership document, or its record, as determined by the Department or the equivalent agency of another jurisdiction, which indicates and advises future owners and interested parties that:

- a. The vehicle has or has had a relevant physical condition, modification, construction, alteration or history of use that may affect the value or safety of the vehicle[.]

IDAPA 39.02.05.010.04.a.

6. Idaho Code section 49-522 addresses endorsements “For Junk Only” on the certificate of title when vehicle is sold or transferred.

(1) The owner of any vehicle who sells or transfers it to another with the intention or understanding that the vehicle is not to be used as an operating unit shall, at the time of sale or transfer, endorse on the face of the certificate of title to that vehicle the words "for junk only," and the department shall place those words on the face of each subsequent certificate of title to that vehicle.

(2) No person shall operate upon a highway any vehicle, the certificate of title to which has been so endorsed, and no person shall sell or attempt to sell that vehicle for use as an operating unit.

7. IDAPA 39.02.05.303.02 governs rules regarding the issuance of Certificate of Title.

Any vehicle which has been declared junk, pursuant to Sections 49-516 and 49-522, Idaho Code, or is coming from another jurisdiction with a similar endorsement, or is designated by the owner or the insurance company as parts only, destroyed, or dismantled, may not be rebuilt for on-road use. **Any vehicle NMVTIS indicates has been reported as having been scrapped or crushed may only be retitled with the brand, “For Junk Only”.** If other information retrieved from NMVTIS indicates a vehicle qualifies for a “brand” as defined in this rule, the Department may brand the title accordingly. The provisions of this section will not apply if there is sufficient evidence for the department to determine the information retrieved from NMVTIS was in error.

8. The Jeep, VIN 1C4BJWDGDL522652, was branded in Texas in 2013 as “Junk” with a brand description of:

[t]he vehicle is incapable of safe operation for use on the roads or highways and has no resale value except as a source of parts or scrap, or the vehicles owner has irreversibly designated the vehicle as a source of parts or scrap. The vehicle shall never be titled or registered. Also known as non-reparable, scrapped, or destroyed.

ITD Ex. 1, p. 1.

9. ITD does not have the statutory authority to issue a certificate of title on a vehicle that has been given the brand of “Junk.” *See* I.C. § 49-522; IDAPA 39.02.05.303.02.

10. The recall of the certificate of title for the Jeep was consistent with Idaho law.

11. ITD’s requirement that the “Junk” certificate be issued for the Jeep is also consistent with Idaho law.

### **PRELIMINARY ORDER**

Based on the Findings of Fact and the Conclusions of Law, the Hearing Officer **SUSTAINS** ITD’s decision to recall the “rebuilt salvage” title and require a “Junk” certificate for the Jeep, VIN 1C4BJWDGDL522652.

### **RULE 626 NOTICE**

**This is a preliminary order of the hearing officer. It can and will become final without further action of the Idaho Transportation Department (ITD), and without any further notice to you, unless any party requests that either the hearing officer or the Director of ITD**

**review it. If no such request is made within fourteen (14) days of the service of this preliminary order, the order will become final, and you will then have twenty-eight (28) days to file a petition for judicial review with a district court, pursuant to Idaho Code Sections 67-5270 through 67-5279.**

If you disagree with this preliminary order, you may file a “motion for reconsideration” with the hearing officer, or you may file “exceptions” and/or a “petition for review” with the Director of ITD. You are allowed to file all of these.

If you would like to file a motion for reconsideration of this preliminary order with the hearing officer, you must do so within fourteen (14) days of the service date of this order. After the hearing officer receives your motion for reconsideration, they have twenty-one (21) days to rule upon it. If they do not issue a ruling within twenty-one (21) days, your motion will be considered denied.

If another party has filed a motion for reconsideration of this preliminary order, you must file any opposition brief within fourteen (14) days from the service date of the motion for reconsideration. No further briefing by any party will be permitted unless the hearing officer, in their discretion, requests it.

You may also file any exceptions you may have to this preliminary order, with a supporting brief, directly with the Director of ITD within fourteen (14) days of the service date of this order, unless the Director of ITD sets a different deadline.

If another party has filed exceptions to this preliminary order with the Director of ITD, you must file any opposition brief within fourteen (14) days from the service date of the exceptions. No further briefing by any party will be permitted unless the Director of ITD, in their discretion, requests it.

You may also file a petition for review regarding this preliminary order, with a supporting brief which sets forth the basis for review, directly with the Director of ITD within fourteen (14) days of the service date of this order, unless the Director of ITD sets a different deadline. The Director of ITD may also notify the parties within fourteen (14) days of the service date of this order, that they, by their own choice, are reviewing this preliminary order, which notice will identify the issues the Director of ITD will review. If a motion for reconsideration has been filed with the hearing officer, your petition for review, or the Director of ITD's notice, does not have to be filed until fourteen (14) days after the motion for reconsideration process with the hearing officer is complete.

If another party has filed a petition for review of this preliminary order with the Director of ITD, you must file any opposition brief within fourteen (14) days from the service date of the petition for review. No further briefing by any party will be permitted unless the Director of ITD, in their discretion, requests it.

If you would like to request oral argument regarding any motion for reconsideration, exceptions, or petition for review, you must state so in your filings. The decision whether to have oral argument is a decision for the hearing officer or the Director of ITD to make, and they may decide to not have oral argument, even if you or any other party has requested it.

IT IS SO ORDERED.

DATED: July 30, 2024.

OFFICE OF ADMINISTRATIVE HEARINGS

/s/ Leslie M. Hayes  
Leslie M. Hayes  
Deputy Chief Administrative Hearing Officer

## CERTIFICATE OF SERVICE

I hereby certify that on this 30th day of July, 2024, I caused to be served a true and correct copy of the foregoing by the following method to:

Martin Equipment

Mick Martin

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/s/ Leslie M. Hayes

Leslie M. Hayes

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