

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE.

The meeting was called to order by Chairperson Gary Hayzlett at 1:30 p.m. on January 30, 2003 in Room 519-S of the Capitol.

All members were present except:

Committee staff present:

Bruce Kinzie, Revisor  
Hank Avila, Legislative Research  
Mary Galligan, Legislative Research  
Betty Boaz, Committee Secretary

Conferees appearing before the committee:

None

Others attending:

See attached listing

Chairman Hayzlett called for introduction of bills. Tom Day, Acting Executive Director and Legislative Liaison speaking for the Kansas Corporation Commission requested introduction of two bills - the first one was concerning all the motor carriers statutes - basically getting rid of contract carriers and placing everything under the common carrier area. According to Mr. Day they are basically handled the same within the Corporation Commission so they felt they could just get rid of the contract carrier statutes as well as make some other necessary changes in regard to those contract and common carriers.

In addition to that we would like to request a second bill dealing with application and registration fees of those carriers upon application and changing the fee structure. They worked with the Motor Carriers Association on the language on both bills. Representative Humerickhouse made a motion to introduce these bills, seconded by Representative Vickrey and the motion carried.

Alan Alderson appearing for the Kansas County Treasurers Association requested two bills for introduction. One of which deals with the way taxes are collected on manufactured and mobile homes. This bill requires a person moving or transferring title to a mobile home, either bringing it into the state or between counties, to obtain a certificate showing all taxes have been paid prior to being moved. A second bill would amend the statute that provides for the manufacture and distribution of certain distinctive license plates to discontinue if in any year there is not a renewal or new issuance of at least 500 plates. Representative Toelkes made a motion to introduce these bills, seconded by Representative Ballard and the motion carried.

Chairman Hayzlett called on Deb Miller, Secretary of the Kansas Department of Transportation to give the second half of her presentation on the Comprehensive Transportation Program. Secretary Miller gave a brief recap of the first half which took the Committee through where KDOT was at the end of the 2002 session. She discussed revenue lost because of funds taken from the demand transfer and revenues that

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were down. KDOT was down about \$291 million at the end of 2002. The good news was that HB 3011 passed which increased the motor fuel tax and a modest increase in registration and that provided about \$338 million and then of course the loan was made to the state general fund and the intention at that time was to pay it back in 2003.

So with the loan at the end of 2002 KDOT was back to having all funds necessary to complete the commitment of the Comprehensive Transportation Program just as passed. However by November, revenues were down again including the highway funds. Also the budget instructions to the Department included using \$128 million for the sales tax transfers where heretofore the department head had used \$156 million so at that point in time the consequence of those two items gave them in 2009, when they look all across the board at their assumptions, a negative ending balance of \$176 million. This assumes the loan has been repaid and that the sales tax transfer would go back to its statutory limits. That's where KDOT was at the start of this legislative session and the beginning of Governor Sebelius' term.

Secretary Miller recapped the Governor's recommendations which included not repaying the \$95 million loan in FY 2003 or 2004, zeroing out FY 2004 Sales Tax Demand Transfer, transferring KHP's general fund portion of their budget for 2003 and 2004 to the Dept. of Transportation, the 1.5% base salary comes into the cash flow analysis, \$5 million was cut from KDOT's operating budget and transferred to the State General Fund, and the final item is the Special City County Highway Fund which comes from the Motor Fuels Tax. The Governor is withholding the dollars related to Motor Carrier Property Tax which go to the state general fund and are then transferred to the State Highway Fund and for FY 2004 that is about \$10 million.

Representative Wilk asked the staff if the Motor Carrier Property Tax is a property tax on motor vehicles, doesn't that fall under the constitutional provisions for property tax wherein the funds collected must be spent on what the property tax was levied for? He did not think you could switch or get a capital fund for property tax and put it in the general fund. Bruce Kinzie responded that he did not know and would have to get back with an answer.

Secretary Miller concluded that if there is a reduction in funds there will clearly be a reduction someplace in the Comprehensive Transportation Program. Secretary Miller believes even with a reduction in funds they can deliver the committed and announced projects. However they will have to take a look at making some reduction in the Comprehensive Transportation Program. They plan to deliver the commitment to the core of the CTP which consisted of the "Red Map" which highlighted the priority projects and system enhancement projects as well as maintaining the system. Secretary Miller said some of the areas where KDOT would be looking at reductions were within the agency activities for improved efficiency, revisiting assumptions used in cash flow projects, extending the program by one or two years, cutting funds not yet assigned to specific projects, reducing project scopes and implementing Transportation Revolving Fund with less capitalization.

There being no further discussion or questions, Chairman Hayzlett adjourned the meeting at 2:40 p.m.