

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 8:30 a.m. on March 10, 2009, in Room 136-N of the Capitol.

All members were present except:

Senator Anthony Hensley- excused

Committee staff present:

Mike Corrigan, Office of the Revisor of Statutes
Jill Shelley, Kansas Legislative Research Department
Cindy Shepard, Committee Assistant

Conferees appearing before the Committee:

Deb Miller, Secretary of Transportation, State of Kansas
Mike Hutfles, Lobbyist, South Western Association
Michael McLin, Bureau Manager of Dealer Licensing, Kansas Department of Revenue
Don McNeeley, President, Kansas Automobile Dealers Association
Ann Mah, Representative, State of Kansas
Steve Kearney, Lobbyist, Kansas Automotive Recyclers Association
Vincent Melvin, Jr., President, M&M Auto Parts, Inc.

Others attending:

See attached list.

Deb Miller, Secretary of Transportation for the State of Kansas gave an overview of the American Recovery and Reinvestment Act of 2009, *Kansas - At a Glance* ([Attachment 1](#)), as it relates to transportation. Secretary Miller reported the department's plans for 378 million dollars of federal stimulus funding for transportation projects in Kansas. Questions and answers followed including discussion of toll roads and the potential revenues that they may generate.

The Chairman opened the hearing on **HB 2188 - Dealer-hauler full-privilege trailer license plates**.

Mike Hutfles, appearing on behalf of South Western Association, testified in favor of **HB 2188**. South Western represents farm, construction/industrial and outdoor power equipment retailers. Mr. Hutfles stated that current law requires registration of all trailers the dealers are using regardless of whether these trailers are for resale or not. They are asking for relief from this manner of doing business by allowing dealers to purchase up to ten "full-privilege license plates" per year per dealership ([Attachment 2](#)).

Michael McLin, Bureau Manager of Dealer Licensing, for the Kansas Department of Revenue, provided testimony in support of **HB 2188**. The Department has worked with Industry and Kansas Automobile Dealers Association to establish a good policy for the use of such dealer hauler full use designation ([Attachment 3](#)).

Don McNeeley, President of the Kansas Automobile Dealers Association, spoke as a proponent of **HB 2188**. Discussions were held with the Division of Vehicles in regard to the expiration and renewal dates for "full-use" and "regular" dealer plates. Mr. McNeeley indicated an amendment was requested in the House Transportation Committee to match the dates to avoid confusion ([Attachment 4](#)).

There being no further conferees, the hearing on **HB 2188** was closed.

Seeing that there was no opposition to the bill, the Chairman indicated he would like to work this bill today. Senator Donovan moved, Senator Marshall seconded, to recommend **HB 2188** favorably for passage. Motion carried.

The hearing on **HB 2258 - Licensing vehicle crushers, recyclers, rebuilders scrap metal recycler** was opened.

Representative Ann Mah, spoke in favor of **HB 2258**. She stated she became aware last summer of a business in her district that was processing stolen vehicles, and that there were some holes in the law allowing opportunities for cars to be stolen and crushed with no oversight. This bill creates a tool for law enforcement

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to catch and prosecute car thieves and their accomplices ([Attachment 5](#)).

Michael McLin, Bureau Manager of Dealer Licensing, testified as a proponent of **HB 2258** on behalf of the Department of Revenue. He stated that the bill enables the Department to license and regulate a market that has for many years been unregulated. By the State allowing these areas to go unregulated, it enables a large market for VIN cloning and trafficking of stolen vehicles ([Attachment 6](#)).

Steve Kearney, representing the Kansas Automotive Recyclers Association (KARA), testified in support of the **HB 2258**. According to Mr. Kearney, one of the gaping holes in the “cradle to grave” lifetime of an automobile has long been the fact that not all those involved in the disposition of automobiles are licensed and regulated. The bill intends to close that gap and create a system that discourages fraud, auto theft and protects consumers by licensing vehicle crushers, recyclers, scrap metal recyclers, rebuilders, and salvage vehicle pools. KARA supports the concepts embodied in this proposed legislation ([Attachment 7](#)).

Vincent Melvin, Jr., President of M&M Auto Parts, Inc., appeared as a proponent of **HB 2258**. He stated that it is very important that scrap dealers be licensed and controlled by the State of Kansas. Currently, it is easy to sell a vehicle to a scrap dealer without a title or certificate of title, no questions asked ([Attachment 8](#)).

Don McNeely, serving as President of the Kansas Automobile Dealers Association, presented testimony in support of **HB 2258**. According to Mr. McNeely, the entities detailed in this legislation have evaded licensing and regulation and need to be under the Kansas Vehicles Dealers and Manufacturers Act to ensure they are abiding by Kansas statutes as they pertain to this segment of the industry ([Attachment 9](#)).

Written testimony in support of **HB 2258** was submitted by:

Ron Miller, Chief of the Topeka Police Department ([Attachment 10](#))

Discussion followed and the Chairman called on Ed Klumpp, retired Chief of Police and the Legislative Committee Chair for the Kansas Association of Chiefs of Police and Kansas Peace Officers Association. Chief Klumpp spoke about concerns of duplication in **SB 237** dealing with scrap metal that could potentially cause problems with enforcement of either bill. According to Chief Klumpp, **HB 2258** should only deal with vehicle scrap metal and needs clarification. The Chairman requested that the interested parties come up with an amendment to address this potential concern.

There being no further conferees, the hearing on **HB 2258** was closed.

The meeting was adjourned at 9:33 a.m. The next meeting is scheduled for March 11, 2009.