

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 8:30 A.M. on March 20, 2008 in Room 527-S of the Capitol.

All members were present except:
Phil Journey- excused

Committee staff present:
Hank Avila, Kansas Legislative Research Department
Jill Shelley, Kansas Legislative Research Department
Mike Corrigan, Revisor of Statutes
Mary Jane Brueck, Committee Assistant

Conferees appearing before the committee:
Rep. Jim Morrison
Michael McLin
Sen. Ralph Ostmeyer
John Federico, National Vehicle Protection Association
Victor Smith, Executive Director & General Council, National Vehicle Protection Association
Don McNeely, Kansas Automobile Dealers Association

Others attending:
See attached list.

Chairman Donovan opened the hearing on **HB 2704--In God We Trust distinctive license plate.**

Proponents:
Rep. Jim Morrison told the committee this bill passed in the House 117-2. The plate is anticipated to have a large demand from Kansas residents. He presented a picture of the design. ([Attachment 1](#))

Michael McLin represented the Kansas Department of Revenue Division of Vehicles. He stated the department has no objection to this bill. Residents wanting this plate will pay \$40.00 per plate, plus the usual registration fee. Sen. Palmer asked when it will be available and was told that would be January, 2009.

Sen. Ralph Ostmeyer reported there are many residents of the 40th district who have let him know of their support for this license plate. ([Attachment 2](#))

Chairman Donovan closed the hearing on **HB 2704** and reopened the hearing on **HB 2691--Gold star family license plates.** At the first hearing on this bill, Sen. Goodwin had asked why this plate if for only mothers. These plates are exempt plates, meaning there is no \$40.00 fee. It was limited to members of Gold Star Mothers, not fathers and extended family. Sen. Petersen moved we pass this bill out of committee favorably. Sen. Palmer seconded the motion. Motion carried. Sen. Petersen then moved the bill be placed on the Consent Calendar. Sen. Palmer seconded the motion. Motion carried.

Chairman Donovan closed the hearing on **HB 2691** and opened the hearing on **Sub for HB 2725--Vehicle protection products, not subject to insurance laws.** John Federico, National Vehicle Protection Association, told the committee the Department of Insurance had "signed off" on this bill, and the House had voted 125-0 in favor of it. He explained why the bill was needed. ([Attachment 3](#)) Some information had been left out and an amendment was necessary to define incidental cost and warrantor. ([Attachment 4](#))

Chairman Donovan asked how the factory warranty is handled.. Mr. Federico said it is not handled through insurance. Sen. Palmer asked what the effect would be on the consumer. Mr. Federico explained would not have a direct impact on consumers, but would provide certainty of the warranty. Sen. Palmer asked if there were any gray areas. Mr. Federico said the consumer warranty will cover what is and is not covered by that warranty, and is controlled by the Consumer Protection Act. This bill will not make warranties more confusing to consumers.

Victor Smith, Executive Director & General Council, National Vehicle Protection Association, came forward to state this bill is good for dealers, warrantors, and the consumers.

CONTINUATION SHEET

MINUTES OF THE Senate Transportation Committee at 8:30 A.M. on March 20, 2008 in Room 527-S of the Capitol.

Don McNeely, Kansas Automobile Dealers Association, said the concern covered by this bill has never been an issue in Kansas. The bill clarifies that vehicle protection products are not contracts of insurance, but warranty products. (Attachment 5) Chairman Donovan closed the hearing on **Sub for HB 2725**.

Chairman Donovan asked for approval of the minutes of the March 13 meeting. Sen. Wilson moved they be accepted. Sen. Schmidt seconded the motion. Motion carried.

Chairman Donovan asked if the committee wanted to take action on bills heard today.

Sen. Schmidt moved adoption of the amendment to Sub for HB 2725. Sen. Palmer seconded the motion. Motion passed. Sen. Palmer made a motion that the bill be moved out of committee favorably as amended. Sen. Schmidt seconded the motion. Motion carried.

Sen. Apple had a question regarding **HB 2704**. He said most license plates benefit particular groups. This plate will benefit the Kansas Department of Revenue. He asked if it should benefit Salvation Army or another charity. Sen. Donovan said bills receive resistance when that is done, because other charities come into play. He suggested the bill be left as is, and, if, at a later date, we see excessive revenue generated from requests for this plate, that question can be addressed then. Sen. Palmer moved the bill be passed favorably out of committee. Sen. Wilson seconded the motion. Motion carried.

Chairman Donovan introduced Tuck Duncan, Kansas Public Transit Association, who gave a presentation to the committee about the Kansas Public Transit Association. (Attachment 6) Mr. Duncan also told the committee of Kansas based manufacturers of transit vehicles in Salina and Oswego, saying they will benefit from a nation-wide increase in use of public transit.

Chairman Donovan said the Federal fund is shorted one hundred forty million dollars for coming years making new Transportation Plans difficult to deal with at State levels of funding unless they can put together a plan of some size for comprehensive transit plans.

Sen. Goodwin asked what six million dollars in the year 2000 money would be worth today. Mr. Duncan said he would find out figure needed to provide the same service in the next plan as in the year 2000 plan.

Terry Heidner, Kansas Department of Transportation, said the department agrees transit service is important to Kansas. He addressed Sen. Goodwin's question, saying six million dollars in 2000 monies would be equal to 3.4 to 3.6 million dollars today.

A representative from the Lawrence (KS) Transit said the rising fuel cost is a problem to the public transit units causing concern about rising expenses and rising numbers of people wanting/needing to use the service.

Being no further business, Chairman Donovan adjourned the meeting at 9:15 a.m. Next meeting is Tuesday, March 25.