

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 8:30 A.M. on January 17, 2006 in Room 527-S of the Capitol.

All members were present.

Committee staff present:

Michele Alishahi, Kansas Legislative Research Department
Bruce Kinzie, Revisors of Statutes
Maggie Breen, Committee Secretary

Conferees appearing before the committee:

Alan Cobb, Americans for Prosperity
Carmen Alldritt, Director, Division of Motor Vehicles
Tom Whitaker, Kansas Motor Carriers Association
John Federico, Recreational Vehicles Industry Association

Others attending:

See attached list.

Chairman Donovan welcomed the committee back and said he looks forward to another productive year.

Chairman Donovan made reference to the joint committee meeting with the House on January 11. The House stayed in session and voted on approving the issuance of \$150 million KDOT bonds to the finance council. It is also required that the Senate Transportation approve the bonds. Chairman Donovan said he had planned for the committee to vote immediately this morning but agreed to let Alan Cobb speak briefly to the committee, as he couldn't participate last week due to his son having a medical procedure.

Alan Cobb, Americans for Prosperity, said he knew the committee has heard most of Dr. Bartley Hildreth of Wichita State University's excellent study on the rate of Kansas debt growth. He pointed out that adding the \$60 million, that has already been approved, to the \$150 million will move Kansas from the seventeenth to the sixteenth highest state debt per capita. We already have a negative debt rating. Clearly this will further harm it. There are only eight states that have a negative debt rating, Kansas being one of them. Twenty states are actually decreasing their debt as a percent of income. And finally, a note of trivia: the debt and interest payment exceeds the total amount of debt from 1992. Kansas is the second highest state in debt growth. Wyoming is number one but is still a relatively low debt state. Alan said he thinks these are things to ponder. While he know this won't change this vote, he thinks it is of great importance to watch over the next couple of years. (Attachment 1)

Chairman Donovan opened the floor for comments. He said he didn't disagree with Alan's comments but emphasized that Kansas' ability to pay its debt is still looked at, by people who buy the bonds, as being strong. While he would much prefer not to incur the debt but it wasn't possible.

Senator O'Connor said she didn't originally support the tax increase for the Transportation Plan. However, once the legislature voted and expressed its will, she accepts the will of the legislature. Now, it needs to fund what it promised to fund. We would not be facing this if the demand transfers had been honored. She said she would reluctantly have to support this further going into debt.

Senator Wilson said he's really concerned with how much debt we're incurring in this state. He said he wonders if Kansas voters would have approved this debt explosion. He said he has a big problem, not with highways, but with how debt is increasing in the state and he hopes we don't continue adding to it. He is reluctantly going to vote for it.

Senator Palmer said she wanted to reiterate her comments regarding the debt of our state. She thinks we are putting ourselves in critical, critical, shape and its like going on a on a credit card for the future of our children and we have to stop it. She doesn't like what's going on at all. She understands why its going on but she wants some assurance from somebody that KDOT is not going to come back and ask for more bonds because they don't have enough money. She thinks the Highway Patrol should be removed from KDOT.

CONTINUATION SHEET

MINUTES OF THE Senate Transportation Committee at 8:30 A.M. on January 17, 2006 in Room 527-S of the Capitol.

Senator Journey said that its important that all of us remember the concept that the assets being created by this borrowing will be used by our grandchildren also. To spread out the obligations over the years of its useful live is a reasonable thing to do. These are not general obligation bonds. This, the expansion and enhancement of infrastructure in the state, is a primary and necessary factor in determining real economic development. Had the bonding been for general governmental functions, he would be adamantly opposed to it. He supports the bonds.

Senator Hensley said Senator Journey made some valid points. This is a commitment we have made to communities across Kansas and we need to adhere to that commitment. We put together a plan that was passed by the 2004 legislature. And what we are doing, in reality, is making sure we carry out those promises. The thing he would question in Mr. Cobb's information is, of the debt we have outstanding, how much of that is attributed to the pension obligation bonds. The legislature decided to enact these bonds, and it was very bipartisan. They were in the neighborhood of \$500 million. We have to take that into consideration. We continue to have a good credit rating.

Senator Peterson said he is supporting this bond because infrastructure is so important to our state. This did not come easy. It was his assurance from the secretary, that none of this bonding was going to operational costs, that sealed his final decision. He has some concerns for the Highway Patrol being under the KDOT and some of the shared costs.

Senator O'Connor, with reluctance, made a motion to recommend to the finance council that the \$150 million bond be issued. Senator Hensley seconded the motion. The motion carried.

Chairman Donovan said he very much appreciated everyone's participation. He thanked them for their comments and their votes. He said he understands their concern.

Chairman Donovan opened the floor for introduction of bills.

Carmen Alldritt, Division of Vehicles, said she has two bills the Department of Revenue would like introduced. The first one gives a definition to self-propelled crane. (Became **SB 374**) The second one deals with commercial drivers license and will bring us in compliance with all the federal requirements. (Became **SB 371**) (Attachments 2 & 3)

Senator Wilson made a motion to introduce both bills. Senator O'Connor seconded the motion. The motion carried.

Tom Whitaker, Kansas Motor Carriers Association (KMCA), requested a bill that is a joint effort between KMCA and the Department of Revenue, Division of Vehicles to introduce what is known as PRISM, the Performance and Registration Information System Management. It ties registration and commercial motor vehicles to the carrier's DOT number. In a case where the federal government would say that a company is an eminent hazard to have on the highways, it gives the state the authority to revoke their registration at that point. It only applies to vehicles that are apportioned registration. It does not apply to vehicles that are registered at the county. The implementation of this is paid for by grant money. (Became **SB 373**) (Attachment 4)

Senator O'Connor made a motion to introduce the bill. Senator Wilson seconded the motion. The motion carried.

John Federico, on behalf of the Recreational Vehicle Industry Association (RVIA), requested the introduction of a bill that would change Kansas statute to allow for certain appurtenances to be affixed to side of recreational vehicles. (Became **SB 372**)

Senator O'Connor made a motion to introduce the bill. Senator Wilson seconded the motion. The motion carried.

Meeting adjourned at 9:06 a.m. Next meeting will be Thursday, January 19.