

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Gary Hayzlett at 1:30 p.m. on February 12, 2009, in Room 783 of the Docking State Office Building.

All members were present except:

Representative Jerry Henry- excused

Committee staff present:

Bruce Kinzie, Office of the Revisor of Statutes  
Hank Avila, Kansas Legislative Research Department  
Jill Shelley, Kansas Legislative Research Department  
Betty Boaz, Committee Assistant

Conferees appearing before the committee:

Representative Tom Burroughs  
Tom Whitaker, Executive Director, KS Motor Carriers Association  
Representative Bill Feuerborn  
Michael Johnston, President/CEO, KS Turnpike Authority  
Deb Miller, Secretary, Department of Transportation  
Mark Schemm, Smith County Treasurer  
Sharon Utley, Allen County Treasurer  
Brad Harrelson, State Policy Director, Kansas Farm Bureau  
John Donley, Kansas Livestock Association

Others attending:

See attached list.

The next meeting is scheduled for February 16, 2009.

The meeting was adjourned at 2:50p.m.

Chairman Hayzlett called the meeting to order and opened the hearing on **HB 2137**.

**HB 2137 - Removal of county designation on license plates.**

Chairman Hayzlett recognized Representative Tom Burroughs as the only proponent for this bill. (Attachment #1) According to Representative Burroughs he was not aware of any exceptions to Kansas Statute 8,147 and related amendments which requires that every owner who registers a vehicle have two decals on the rear plate. One with the registration number and one containing the county designation. However if someone orders a distinctive license plate there are numerous exceptions in regards to the county designation decal. He concluded by saying as the number of exemptions increase and with the proliferation of speciality plates with no county decal requirement, it is time to consider its elimination. He asked the Committee to support **HB 2137**.

There were no other proponents and no opponents to **HB 2137** so the Chairman closed the hearing.

Chairman Hayzlett opened the hearing on **HB 2152**.

**HB 2152 - Towed vehicles, lien thereon, city ordinance or county resolution.**

The Chairman recognized Tom Whitaker as the only proponent for this bill. (Attachment #2) Mr. Whitaker explained that **HB 2152** expands the circumstances by which a lien is created when towing and recovery service is provided. He said current law allows for a lien to be created only if the towing and recovery service is requested by the owner of the vehicle or law enforcement. This bill would add, "or as provided by a city ordinance or county resolution," to those instances that create a lien for the towing company. He concluded by asking the Committee to favorably pass this bill.

There being no other proponents or opponents to this bill the hearing was closed.

## CONTINUATION SHEET

Minutes of the House Transportation Committee at 1:30 p.m. on February 12, 2009, in Room 783 of the Docking State Office Building.

The Chairman opened the hearing on **HB 2178**.

### **HB 2178 - Abolishing Kansas turnpike authority, transferring to Kansas department of transportation.**

Chairman Hayzlett recognized the only proponent to this bill, Representative Bill Feuerborn. (Attachment #3) According to Representative Feuerborn his reason for this bill was because the Kansas Turnpike has revenue and is a valuable asset to the state. He said the reason he asked for it to be put under the Kansas Department of Transportation was not because the Turnpike had been operated poorly but because he felt the State could save money by consolidating the Turnpike into KDOT.

There were no other proponents so the Chairman called for opponents to **HB 2178**.

The first opponent recognized was Michael Johnston, President/CEO of the Kansas Turnpike Authority. (Attachment #4) He said he was not appearing on behalf of the Authority itself as they had not discussed the bill. He said he was appearing because of his unique perspective that being that he is the only person who has led both the Kansas Department of Transportation and the Kansas Turnpike Authority. Mr. Johnston provided the Committee with a brief history of the Kansas Turnpike which was authorized by the 1953 legislature. He said with few amendments through the years, the original law still provides the legal framework for the operation of the roadway today. Mr. Johnston said that one of the reasons, perhaps the most important reason the turnpike has successfully operated for over 50 years, is that neither political party has politicized its operation. He said the only way the state can generate substantial income from the turnpike is through sharply higher tolls. Mr. Johnston said the turnpike does not now nor has it ever had unencumbered reserves that could be transferred to the State. He said the \$225 million in current turnpike debt would be very expensive for KDOT. Mr. Johnston concluded by saying that he was not trying to tell the Committee that merging KTA into KDOT can't be done but that there will be consequences and costs.

The next opponent to **HB 2178** was Tom Whitaker, Executive Director of the Kansas Motor Carriers Ass'n. (Attachment #5) According to Mr. Whitaker the trucking industry represents 40% of the KTA's revenue and makes up only 13% of the traffic. He said they have concerns that if the turnpike was turned over to a government agency, tolls could rise to the point where the trucking industry would no longer see value in using the turnpike. Mr. Whitaker said that additional increases in tolls to create revenue could have an adverse affect on Kansas because of rerouting trucks to other transportation corridors. He concluded by saying the Association has great respect for KDOT but KDOT is still subject to the bureaucracy of a state agency as opposed to the business model used by the KTA.

The Chairman drew the Committee's attention to written testimony submitted in opposition to **HB 2178**, by Debbie Ward. (Attachment #6)

The next conferee was Deb Miller, Secretary of the Department of Transportation, who testified as a neutral. (Attachment #7) According to Secretary Miller there would be significant challenges in absorbing KTA into KDOT, from personnel, to concessionaire leases and toll collections, costs of policing and patrolling the turnpike and its facilities, centerline miles to the state highway system, transferring existing liability for claims against the KTA to KDOT, revenue and debt obligations. She concluded by saying that merging the KTA and KDOT is a very complicated issue and she believes it deserves careful, thorough study to determine its feasibility, costs and benefits before making such a decision.

There being no other conferees the Chairman closed the hearing on **HB 2178**. Chairman Hayzlett opened the hearings on **HB 2212**.

### **HB 2212 - Vehicle registration, trailers.**

Chairman Hayzlett recognized Mark Schemm, Smith County Treasurer. (Attachment #8) According to Mr. Schemm, **HB 2212** will clear up the confusion associated with registering and titling trailers used on the farm. He said there is confusion in hauling a certain amount of cargo and if the cargo is strictly farm products and several other issues. In addition if the owner of the trailer does not title and tag his trailer, the only way a lien holder can secure a lien is to file a lien under the Uniform Commercial Code. He said if the trailer is not titled and then stolen there is no way to prove ownership because the Vehicle's Identification Number is not on file

## CONTINUATION SHEET

Minutes of the House Transportation Committee at 1:30 p.m. on February 12, 2009, in Room 783 of the Docking State Office Building.

with the motor vehicle department. He concluded by saying **HB 2212** would clear up the confusion in the registration laws with regard to trailers by titling and tagging all trailers .

The next proponent of **HB 2212** was Sharon Utley, Allen County Treasurer. (Attachment #9) According to Ms. Utley, the rules concerning whether or not to tag and title trailers are very confusing for the general public. She said the confusion concerns gross weight, cargo weight, and if the load is exclusively agriculture products. Ms. Utley said another problem counties close to the borders have is that when Kansas trailers go to another state they are sometimes stopped because that state requires all trailers be tagged. She concluded by saying **HB 2212** would help end the confusion concerning the titling and tagging of farm trailers.

There were no other proponents so the Chairman called for opposing conferees.

Brad Harrelson, State Policy Director, Governmental Relations for Kansas Farm Bureau was the first opponent to **HB 2212**. (Attachment #10) According to Mr. Harrelson, K.S.A. 79-201i is the basis of Kansas Farm Bureau's opposition to this bill. He said the farm trailers being considered in this bill are indeed used exclusively in a farm or ranch enterprise, and as such may only be used occasionally. He said the added burden of expense by registering and tagging far outweighs any benefit of theft protection or recovery. Mr. Harrelson said the added confusion of **HB 2212** will likely lead to trailer owners unnecessarily paying a tax that is clearly not owed.

The next opponent recognized was John Donley, with Kansas Livestock Ass'n. (Attachment #11) According to Mr. Donley, by requiring farm trailers to be licensed and registered, there is the potential to create confusion. Farm trailers are exempt from both sales tax and property tax as farm machinery and equipment. By requiring a farm trailer to be registered and licensed, there is a strong likelihood that the county official will mistakenly try to apply sales tax on newly purchased trailers and property tax on trailers every year. He concluded by asking the Committee to not pass **HB 2212**.

Chairman Hayzlett drew the Committee's attention to written testimony submitted by Leslie Kaufman, Executive Director, Kansas Cooperative Council, opposing **HB 2212**. (Attachment #12)

There were no other opponents to **HB 2212** so after all questions were answered Chairman Hayzlett closed the hearing.

It was the Chairman's desire to work **HB 2130** so he opened the floor for questions, discussion or motions. Representative Menghini made a motion to favorably pass **HB 2130**, 2<sup>nd</sup> by Representative Ballard and the motion carried.

There being no further business before the Committee, the meeting was adjourned at 2:50 p.m.