

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE.

The meeting was called to order by Chairperson Senator Les Donovan at 8:30 a.m. on April 4, 2002 in Room 245-N of the Capitol.

All members were present except: Senator Pugh

Committee staff present: Hank Avila, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Marian F. Holeman, Committee Secretary

Conferees appearing before the committee: Don Seifert, City of Olathe
2nd Lt. John Eichkorn, KS Highway Patrol
Capt. Galen Pape, KS Highway Patrol
Mathew H. Moser, Division Of Motor Vehicles

Others attending: See attached list

HB 2949: Transportation development districts

Chairman Donovan opened the meeting for reconsideration of **HB 2949**. Don Seifert briefly reviewed what this bill would do; i.e., simply provide a different way to finance development districts. The bill provided for a special sales tax for the development district only.

In discussing this bill, three problems were found. One, the high fiscal note attributed to the administrative costs the Kansas Department of Revenue would have in implementing collection and distribution of this limited tax. This problem was worked out by agreeing to have the local government collect the sales tax. Thus, the state would not be involved and the high fiscal note would be eliminated. If the State is not involved the effective date of this act could be upon publication in the statute book. The second problem was collecting a "sales tax" at the local level. This would interfere with the State's ability to join the Streamlined Sales Tax Agreement which requires all sales tax be collected and dispersed at the state level. The State needs to be a part of this agreement in order to stop the loss of revenue from internet/catalog sales. The Revenue Department suggested this proposed transportation development district tax be moved into the "excise tax" area. This technique solved another problem with the bill. The third area of concern was the fact that only 51% of the land owners in the district would have to approve the transportation development district and a hardship could be created for small businesses in the area. Now propose to amend the bill to read that 100% of the land owners within the proposed district would have to sign off on it or it cannot happen. Senator Harrington moved to conceptually amend the bill by adopting the 100% agreement; the earlier effective date; and the Revenue Department's proposed language dealing with the first two concerns; together with necessary technical changes. Senator Schodorf seconded the motion. Motion carried. Senator Harrington moved to recommend **HB 2949**, as amended, favorable for passage. Senator Goodwin seconded the motion. Motion carried.

Substitute for HB 2653: Certificates of title for antique vehicles

2nd Lt. John Eichkorn appeared on behalf of Colonel Don Brownlee, Kansas Highway Patrol. After briefly explaining what the Substitute bill does, he presented the Patrol's areas of concerns. The Patrol feels there are several problem areas involved in allowing designees to perform technical inspections on antique vehicles. Such vehicles often are pieced together and require special knowledge of identification techniques and supporting resources. Employees are not adequately trained, rapid turnovers, and lack of access to resources Patrol employees utilize result in poor inspection procedures and missed problems. The second area of concern is the exemption from inspection of vehicles from 1949 and prior. The Patrol urged members to consider returning to **HB 2653** in its original state (Attachment 1).

Capt. Galen Pape, Kansas Highway Patrol, who is in charge of the inspection program in

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Wichita, was available to answer questions regarding inspection issues. He advised that antique vehicles, especially some models of the rare older cars, are often very expensive vehicles and lack of competent inspection leaves the door wide open to fraud. Capt. Pape explained that before 1990 the "designee" inspection program was given to private contractors. Because there were so many problems and the inspection program was not working, they tried giving the inspection program to sheriff and police departments only. Many sheriff and police departments do not want to take their manpower off the streets to perform this time consuming task. They also have a high turn-over rate and training is restricted so that a certification program is practically impossible. Rebuilt and salvaged vehicles need a much higher level of competency than is required, for example, for the extremely limited in scope inspection of regular "program" and such vehicles.

Approximately 220,000 cars went through the inspection process last year. Only through the inspection of all vehicles can stolen vehicles, or vehicles that have liens on them, or any other problem areas, be discovered. Application of the Substitute Bill would allow Kansas to become a "title washing state" for people out of state - all across the United States. Requiring only a bill of sale is a big loophole that would encourage theft and fraud. The Highway Patrol already has a system setup to do these inspections and they currently do not have a problem with doing them. The increase in the amount of the fee is not enough money to cover the cost of "designee" inspection. The Highway Patrol wants to get the antique vehicles out on the road. They also wish to prevent fraud in connection with that.

Mathew Moser, Manager of the Title and Registrations Bureau, Kansas Division of Vehicles, pointed out the Substitute Bill presents three problems which were not contained in the original bill. First, the "electronic verification" language is too vague and lacks direction. This requirement means an extra, duplicate, step for the consumer. Second, eliminating inspection requirement on 1949 and prior year vehicles reduces consumer protection. Third, waiving an inspection if it is not completed within 30 days also eliminates consumer protections. Last year the Division issued 6,600 antique titles ([Attachment 2](#)). Mr. Moser urged the committee to amend Sub. For HB 2653 to reflect the original language.

Members expressed concern regarding the 30-day waiver, and felt this is a loophole that doesn't need to be in the law. The 1950 date was selected because that was when they began putting VIN numbers on cars. The original bill did not reference the year at all. Senator Jackson moved to amend **Sub. HB 2653** by striking all substitute language and restoring the original language of **HB 2653**. Senator Schodorf seconded the motion. Motion carried.

Approval of minutes

Senator Salmans moved to approve minutes of the March 27, 2002 meeting. Senator Goodwin seconded the motion. Motion carried.

The meeting adjourned at 9:35 a.m.

The next meeting is on call of the Chair.