

MINUTES OF THE House COMMITTEE ON Transportation

The meeting was called to order by Representative Rex Crowell at
Chairperson

1:30 ~~am~~/p.m. on March 14, 1984 in room 519-S of the Capitol.

All members were present except:

Representative Steve Cloud - Excused

Committee staff present:

Fred Carman, Office of the Revisor of Statutes
Hank Avila, Legislative Research Department
Donna Mulligan, Committee Secretary

Conferees appearing before the committee:

Mr. Jerry Taylor, Hillcrest Wrecker & Garage, Lawrence, Kansas
Mr. Ron Welch, AAA Auto Club
Mr. Greg Pearson, AAA Auto Club
Mr. Bruce Wornor, Wichita Police Department
Ms. Mary Turkington, Kansas Motor Carriers
Mr. Bill Green, Kansas Corporation Commission

The meeting was called to order by Chairman Rex Crowell.

The first order of business was a hearing on SB-591. Mr. Bill Green of the Kansas Corporation Commission appeared before the committee on SB-591. (See Attachment 1)

Mr. Green stated the Corporation Commission takes no position on SB-591, concerning towing or moving of wrecked or disabled vehicles.

Mr. Green told the committee that SB-591 requires that the current four types of exempt wreckers be regulated, 1) wreckers currently exempt up to 3 miles outside a city's corporate limits; 2) local wreckers who currently through interpretation by the Kansas Highway Patrol are considered to be exempt private carriers; 3) local wreckers who currently operate wholly within the corporate limits of any city in the state of Kansas; and 4) local wreckers who currently operate between other states. He further stated the cost for filing a local wrecker application would be \$10 and \$10 per vehicle registration annually.

Chairman Crowell asked Mr. Green if he feels SB-591 would have any effect on competition. Mr. Green replied he felt it would increase competition among wreckers.

Ms. Mary Turkington of the Kansas Motor Carriers Association testified in favor of SB-591.

Mr. Jerry Taylor, owner and operator of Hillcrest Wrecker and Garage, Inc., of Lawrence, Kansas presented favorable testimony on SB-591. (See Attachment 2) Mr. Taylor explained the intent of this bill is to assure the public that all towing and recovery operators are identified and that proper insurance is in force.

Chairman Crowell asked Mr. Taylor if he feels SB-591 would have an effect on competition and he replied in his opinion it will increase competition, particularly for the group that is trying to get the bill passed.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Transportation,
room 519-S, Statehouse, at 1:30 ~~a.m.~~/p.m. on March 14, 19 84

Chairman Crowell asked Mr. Taylor if the principle reason he was supporting SB-591 was to upgrade the industry, and he answered it was.

Mr. Ron Welch of the AAA Auto Club appeared before the committee in favor of SB-591. (See Attachment 3) Mr. Welch stated his organization urges passage of SB-591 because of the safety equipment and insurance coverage operators would be required to have.

Representative Johnson asked if increasing competition would lower rates. Mr. Greg Pearson of AAA Auto Club took the stand and explained it wouldn't, as most of their wreckers are under contract.

Discussion was held among committee members regarding the types of wrecker service offered by AAA Auto Club.

Mr. Bruce Wornor, representing the Wichita Police Department testified in favor of SB-591. (See Attachment 4) Mr. Wornor told the committee the Wichita Police Department supports SB-591 and feels the requirement for written identification on each wrecker will help solve the problem Wichita has had wherein unidentified wreckers have been involved in stealing automobiles.


Representative Crowell asked Mr. Wornor if he finds it unusual that an industry would want to increase both competition and regulation. Mr. Wornor indicated he didn't know.

Ms. Mary Turkington of Kansas Motor Carriers Association appeared before the committee and explained that the people in the towing and recovery business have spent the last three years attempting to develop legislation which would define what is a "wrecker or tow truck" and what is a "wrecker or towing service".

Ms. Turkington reiterated that SB-591 does not regulate local "so called" wrecking people, but it does identify them and require them to have insurance and protects the public. She also pointed out that SB-591 does not change the current regulatory law in Chapter 66 that says "who must get an authority from the Kansas Corporation Commission". She added that the bill doesn't change the situation in respect to the commercial zone, doesn't change the contiguous city exemption except that those local wrecker vehicles that are operating within those two contiguous cities are considered local vehicles and will have to be registered, have insurance and be identified.

Chairman Crowell asked Ms. Turkington if she feels the major thrust of this bill is to improve the image of wrecker services, and she answered that she does.

The meeting was adjourned at 3:10 p.m.


Rex Crowell, Chairman

GUEST LIST

COMMITTEE: TRANSPORTATION

DATE: 3-14-84

PLEASE PRINT

NAME	ADDRESS	COMPANY/ORGANIZATION
✓		
✓ New Turkington	Topoka	Kans Motor Carriers Assn.
Lashy Younger	Tribune	John Deere
MAX Younger	TRIBUNE	JOHN Deere Dealer
Tom Whitaker	TOPEKA	K MOTOR CARRIERS ASSOCIATION
JACK A. QUINLAN	TOPEKA, Ks.	KMCDA
JIM SULLINS	TOPEKA, Ks.	KMCDA
Wanda Augustine	Salina, Ks	Salina Wrecker
Lego Augustine	Salina, Ks	Salina Wrecker
Sam E Metzler	Deaton Kans	Metzler Sew Ch Due
Alice Nankwell	Pittsburg Kans	Bob's Garage
Bob Nankwell	Pittsburg Ks	Bob's Garage
Gary Taylor	Lawrence Ks	Hellcrest Wrecker
Deanna Taylor	Lawrence Ks	Hellcrest Wrecker
Bruce Warner	Wichita, Ks	Wichita
Nancy Zielke-Bigsky	Topoka	KDOT
Gene Pugh	Topeka	KDOT
OF TURNER	ATCHISON	TURNER TOWING
Greg Kansa	TOPEKA	Auto Club of Ks
Ed Wild	Topoka	AAA
Wm. A. Baker	Wichita	John Deere
Darryl Brogan	Dodge City	John Deere



JOHN CARLIN
MICHAEL LENNEN
R. C. "PETE" LOUX
PHILLIP R. DICK
JUDITH A. Mc CONNELL
BRIAN J. MOLINE

Governor
Chairman
Commissioner
Commissioner
Executive Secretary
General Counsel

State Corporation Commission

Fourth Floor, State Office Bldg.
Ph. 913/296-3355
TOPEKA, KANSAS 66612-1571

STATEMENT ON SENATE BILL 591 PRESENTED TO
THE HOUSE TRANSPORTATION COMMITTEE
BY THE STATE CORPORATION COMMISSION OF KANSAS
MARCH 14, 1984

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I AM BILL GREEN, ADMINISTRATOR OF THE TRANSPORTATION DIVISION OF THE STATE CORPORATION COMMISSION. I APPEAR HERE TODAY REPRESENTING THE COMMISSION ON SENATE BILL 591. THE STATE CORPORATION COMMISSION TAKES NO POSITION ON THIS BILL.

ANALYSIS:

THE BILL REQUIRES THAT THE CURRENT FOUR TYPES OF EXEMPT WRECKERS BE REGULATED. THESE TYPES ARE: 1.) WRECKERS CURRENTLY EXEMPT UP TO 3 MILES OUTSIDE OF A CITY'S CORPORATE LIMITS; 2.) LOCAL WRECKERS WHO CURRENTLY THROUGH INTERPRETATION BY THE KANSAS HIGHWAY PATROL ARE CONSIDERED TO BE EXEMPT PRIVATE CARRIERS; 3.) LOCAL WRECKERS WHO CURRENTLY OPERATE WHOLLY WITHIN THE CORPORATE LIMITS OF ANY CITY IN THE STATE OF KANSAS; AND 4.) LOCAL WRECKERS WHO CURRENTLY OPERATE BETWEEN OTHER STATES WOULD BE REQUIRED TO BE REGULATED BY THE COMMISSION.

AH 1

THE COST FOR FILING A LOCAL WRECKER APPLICATION WOULD BE \$10 AND A \$10 PER VEHICLE REGISTRATION ANNUALLY. THE APPLICANTS WOULD BE REQUIRED TO FILE PROOF OF INSURANCE. APPLICANTS ARE NOT REQUIRED TO FILE ANY STATEMENTS OF RATE FOR SERVICES.

THE PENALTY FOR VIOLATION OF BOTH ACTS IS NOT TO EXCEED \$500.

STATEMENT OF EFFECT:

THE COMMISSION EXPECT THIS BILL WOULD RESULT IN AN INCREASE IN APPLICATIONS BY APPROXIMATELY 700 NEW CARRIERS AS A RESULT OF THE PASSAGE OF THIS LEGISLATION. SINCE LOCAL WRECKERS COVERED BY S.B. 591 ARE NOT CURRENTLY REGULATED BY THE COMMISSION, THIS ESTIMATE IS BASED ON THE CURRENT NUMBER OF RED FLASHING LIGHTS ISSUED TO PERSONS OTHER THAN LAW ENFORCEMENT AGENCIES. THIS BILL THEREFORE WOULD INCREASE THE COMMISSION'S REVENUES BY APPROXIMATELY \$14,000 THE FIRST YEAR AND APPROXIMATELY \$7,000 EVERY YEAR THEREAFTER.

SHOULD YOU HAVE ANY QUESTIONS I WILL ATTEMPT TO ANSWER THEM.

STATEMENT

By The

TOWING & RECOVERY DIVISION

KANSAS MOTOR CARRIERS ASSOCIATION

In support of Senate Bill 591 which provides statutory definitions for wrecker or tow truck vehicles and provides for identification of local tow truck operators as an added protection for the public.

Presented to the House Transportation Committee, Rep. Rex Crowell, Chairman; Statehouse, Topeka, Wednesday, March 14, 1984.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Jerry Taylor, owner and operator of Hillcrest Wrecker and Garage, Inc., of Lawrence, Kansas. I also serve as Chairman of the Towing & Recovery Division of the Kansas Motor Carriers Association. I appear here this morning on behalf of our Division members and the Association to support the passage of Senate Bill 591.

The owners and operators of wrecker vehicles are attempting to improve the integrity of our industry, the quality of our service, and the statutory framework within which we offer our service to the public.

Att. 2

There has been some comment on "why" this proposal would come before you from the wrecker operators themselves.

Those of us who work in this industry every day sincerely believe that we have the best possible understanding of the strengths and weaknesses of the towing and recovery business. We truly believe we know the wrecker business better than anyone else -- just as farmers know more about farming, bankers know more about banking, doctors know more about the practice of medicine, insurance representatives better understand insurance, and so on down the line.

When problems develop in those areas, we can expect representatives of those professions or businesses to come to you for your help and understanding and for remedial legislation.

We have brought this bill to you because we know there are problems in the towing and recovery business which should be corrected. We need the basic help this bill provides to address those issues and to offer better service to the public.

The intent of this bill is to assure the public -- you and your constituents -- that all towing and recovery operators are identified and that proper insurance is in force. Further, it is important that prudent safety practices be exercised.

Automobiles and trucks are expensive vehicles. If your car required the services of a tow truck or wrecker vehicle, and for some reason the operator of that wrecker damaged your car in some way, you are entitled to know who that wrecker operator is, where you can reach him and what insurance coverage he has available.

Under the provisions of this bill, procedures would be implemented to permit you to turn to one place to find that important information. All towing and recovery operators -- whether operating locally or providing service for a larger geographic area -- would be identified and would be required to have proper insurance in force.

Let me briefly outline provisions of the bill.

The first section of Senate Bill 591 sets out the definitions of a "wrecker or tow truck" and of "wrecker or towing service." These definitions are not now present in the Kansas statutes. We believe they need to be.

The definition of a wrecker or tow truck makes it clear that those who simply might pull a neighbor's vehicle from the ditch or pull a piece of farm machinery behind a pickup truck would not be operating a "wrecker vehicle" as defined in Senate Bill 591. Without the proposed statutory definitions, that distinction could not be made.

The bill also defines a "local wrecker carrier." The local wrecker operators are those who operate wholly within the corporate limits of a city or three miles thereof.

The bill would require those offering local towing and recovery services to register with the Kansas Corporation Commission, carry proper insurance, and comply with the basic safety rules and regulations required for such motor truck vehicles.

There would be no economic regulation of such local wrecker operators. There would be added protection for the public from the standpoint of insurance and identification of local operators.

The bill proposes that such local wrecker operators make application to the Corporation Commission for a local wrecker carrier permit. Such an application would be a simple, short form which the operator easily could prepare. There would be no attorney required, no hearing, no burdensome procedure.

The cost for such a local wrecker permit application would be a one-time fee of \$10. Holders of such a local wrecker carrier permit annually would be required to re-register their equipment with the Commission and pay \$10 per year per power unit. This fee is proposed to fund any administrative costs the Commission may have in registering such local wrecker carriers.

There would absolutely be no requirement for such local operators to file any rates or charges of any kind. The Commission does not now nor would it have any jurisdiction over such purely local fees for wrecker operators or any other transportation service operating wholly within the city limits or three miles thereof.

When a proper application is received, the Commission shall issue the applicant a local wrecker permit.

The local wrecker operator would be required to keep insurance in force, would also be required to have painted or durably marked on each such vehicle on both sides thereof, the word "local", the gross weight for which the vehicle is licensed, and the name and address of the owner or lessee of the vehicle.

There is nothing in this bill that changes the current law on who must obtain a certificate from the Commission. Any local carrier who wishes to expand his operations beyond the corporate limits of his city may seek operating authority from the Commission.

The relaxed entry requirements adopted by this Legislature in Senate Bill 511 in the 1982 session, make such authority applications subject only to the "fit, willing and able" test. Those currently operating wrecker equipment would have little or no difficulty in expanding their operations accordingly if they so desire.

The bill makes one other important clarification of existing law.

The registration section of the statute (Chapter 8) does not authorize for-hire operation of such wrecker vehicles by dealers. However, interpretation of this section has been such that it has become a major gray area of Kansas law.

Senate Bill 591 deletes in Chapter 8 any reference to the retrieving or towing of disabled vehicles by a dealer and clearly states that a dealer's license plate cannot be used on a wrecker or tow truck as defined by section 1 of this act. Current law also prohibits operation of a wrecker vehicle with a dealer's plate. The language that deals with a lawful exemption for dealers has been revised and now properly is placed in K.S.A. 66-1,109, the exemption section of Chapter 66.

The Kansas Motor Car Dealers Association supports this change.

The Committee clearly should understand that the exemption applies only to new vehicle dealers. It is our understanding that some used vehicle dealers do operate wrecker vehicles. Many of them have private carrier authority if they also are involved with salvage yard operations. Some of the used car dealers also have certificates -- as do many of the new car dealers who operate such vehicles for-hire.

The act would require used vehicle dealers who wish to operate for-hire wrecker or towing service either to secure a permit for the local operations authorized by this act, or apply for a certificate from the Corporation Commission if they presently do not have such authority.

Section 6 of this act was requested initially by the Kansas Highway Patrol to provide a specific penalty section for violations of the act.

It is important that the Committee understand that wreckers are not regulated by the Kansas Highway Patrol. The Patrol, however, in cases of emergency, may secure any emergency vehicle necessary to respond to that emergency need.

This bill makes no change in that procedure!

Municipalities do not regulate wrecker vehicles. Such city governments may require franchise fees applicable to all business establishments. They do not, to our knowledge, exercise any jurisdiction over wrecker vehicles except in connection with specific contracts for city services.

Some have expressed an honest concern that Senate Bill 591 would cause consumer costs to increase. The only cost factor that would be affected by this proposal would be the insurance requirement.

At the request of Senator Roy Ehrlich, we researched this issue. We have included a copy of our response in your folder. The nominal insurance cost reflected in our survey, when spread over the number of customers a towing and recovery operator could be expected to serve, simply would not justify any increase in rates to the consumer. The consumer, on the other hand, without the insurance protection this proposed legislation would provide, could be subjected to a costly, frustrating experience.

We believe Senate Bill 591 is a public interest bill.

The proposed legislation has the support of the Kansas Motor Carriers Association, the Kansas Motor Car Dealers Association, the Kansas Highway Patrol, the AAA Automobile Club of Kansas, and the City of Wichita.

We ask your support of this legislation. If you have any questions, I will be pleased to attempt to answer them.

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**AUTOMOBILE
CLUB OF KANSAS**

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 717 KANSAS 66603 / 913-232-7220

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WICHITA
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316/685-5241

Mr. Chairman, Members of the Committee:

My name is Ron Welch and I represent the AAA Automobile Club of Kansas.

As the largest user of tow trucks and wreckers in the state the AAA Automobile Club urges the passage of Senate Bill Number 591 by this committee. We believe to do so will be in the best interests of the motoring public because of the safety equipment and insurance coverage operators would be required to have.

Thank you.

Att. 3

Statement Presented to the
House Transportation Committee

Wednesday, March 14, 1984

Re: SB 591

My name is Bruce Wornor, representing the Wichita Police Department.

At the request of the wrecking companies that contract to do business with the City of Wichita, the police department has reviewed SB 591 and is in total support of the bill. The fees and requirements for the local wrecker permit appear reasonable. The equipment safety and insurance requirements will serve to protect the citizens who need wrecker service.

In addition, the requirement for written identification on each wrecker will help to solve an additional problem in Wichita. Unidentified wreckers have been involved in stealing automobiles. A person viewing the theft generally assumes that the wrecking service has been called. At a later time when it has become apparent that a theft has taken place, the witness has no way of identifying the wrecker.

For these reasons the Wichita Police Department asks for your support of SB 591.

Att 4