

MINUTES OF THE House COMMITTEE ON Transportation

The meeting was called to order by Representative Herman Dillon at
Chairperson

1:30 ~~am~~/p.m. on March 19, 1984 in room 519-S of the Capitol.

All members were present except: Representatives Webb, Charlton and Knopp - All excused

Committee staff present:

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

Conferees appearing before the committee:

Mr. Bill Edds, Department of Revenue
Mr. Mike Billinger, Kansas County Treasurers Association
Mr. Harold Turntine, Department of Revenue
Mr. Steve Montgomery, Kansas Oil Marketers Association
Mr. Richard Farris
Mr. Russel Sammons
Mr. Dean Jones, Lincoln, Kansas

The meeting was called to order by Representative Herman Dillon. The first order of business was a hearing on SB-737 and Mr. Bill Edds of the Revenue Department explained his department is recommending that the combination of letters on an antique license tag not be issued to more than one vehicle anywhere in the state.

The next order of business was a hearing on SB-738, concerning refunds of registration fees on motor vehicles. Mr. Bill Edds of the Department of Revenue explained the bill would allow someone who sells or junks passenger vehicles such as an automobile to apply for a refund of registration fees paid on that automobile.

Mr. Edds said the reason the Revenue Department is requesting the passage of SB-738 is that last fall the Department lost a case in Shawnee County District Court that involved Kansas Administrative Regulation 92-55-3 which required the owner of a motor vehicle at the time they sold the vehicle to relinquish the registration plate if they wanted a refund of the motor vehicle tax. He explained that the plaintiff in this case argued that the law was discriminatory because the truck owner could relinquish his registration plate and get a pro-rated refund of the registration fee as well as get the motor vehicle tax refund. Mr. Edds added that the Revenue Department feels that the return of the registration plate in order to get the refund is important to the counties as it is the best evidence the vehicle has transferred ownership and without that requirement the counties might be faced with a number of invalid claims for motor vehicle tax refunds.

Mr. Mike Billinger of the Kansas County Treasurers Association appeared before the committee in support of SB-738. (See Attachment 1) He reported that passage of SB-738 would remedy a situation constantly confronting Treasurers, that being the explanation of why there are refunds on truck registrations and not on automobile registrations, especially when these vehicles are being disposed of.

Mr. Billinger recommended an amendment to SB-738, changing the minimum from \$10.00 to \$5.00 on motor vehicle tax refunds to eliminate the confusion of having to explain why it would be feasible to make a refund in one instance for \$5.00 and in other instances for \$10.00.

CONTINUATION SHEET

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

The meeting was opened to questions and discussion by the committee and the amounts of refunds was discussed.

The next order of business was a hearing on SB-739 and Mr. Bill Edds of the Revenue Department briefed the committee on the bill, explaining it provides only one personalized plate be issued for a motorcycle.

Mr. Harold Turntine of the Revenue Department discussed the issuance of renewal decals and stated only one decal will be issued to be placed on the back plate.

The next order of business was a hearing on SB-772, concerning motor fuel tax refunds on loss of fuel. Mr. Steve Montgomery of the Kansas Oil Marketers Association testified in favor of SB-772. (See Attachment 2)

Mr. Montgomery explained that SB-772 addresses two provisions of motor fuel tax refund laws regarding gasoline taxes and not diesel or LP. He referred to Section 1 of the bill which basically increases the time limits that a distributor has to file a tax refund claim when their fuel is destroyed due to a catastrophe such as a flood or fire. Mr. Montgomery also told the committee Sections 2 and 3 of the bill modernizes the existing provisions regarding the proof the user must submit when filing a refund claim for motor fuel taxes when purchased from card and key pumps.

The next order of business was a hearing on SB-809 concerning the submission of reports of the Division of Vehicles on computer tape. Mr. Bill Edds of the Revenue Department briefed the committee on the bill.

Representative Shelor asked if passage of SB-809 would be an extra cost to the state, and Mr. Edds said it would not, and it should save some money.

This ended the hearing on SB-809.

The next order of business was a hearing on SB-688 concerning the transportation of combines on highways. Mr. Richard Farris, who is involved in custom harvesting, testified in opposition to SB-688. (See Attachment 3)

Mr. Farris told the committee the requirement for flashing lights and flag vehicles will create hardships on many custom operators as they only have one service vehicle which pulls an 8 foot wide trailer house. He stated he does not feel the extra time and expense involved to move their equipment under SB-688 would be beneficial, or would make their movements any safer.

The meeting was opened to questioning by the committee, as well as discussion regarding the movement of combines on highways.

Representative Adam asked Mr. Farris if he had any information about accident statistics involving the movement of combines on the highways and he replied he did not, but that he had been involved in one accident on Kansas highways during the past three years.

Mr. Russel Sammons, a person involved in custom harvesting, testified in opposition to SB-688. He discussed with the committee some of the problems experienced by custom harvesters.

Mr. Dean Jones of Lincoln, Kansas, who is also involved in custom harvesting, testified in opposition to SB-688.

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


Rex Crowell, Chairman

Statement
of
Mike Billinger
Ellis County Treasurer
and
Chairman of
The Kansas County Treasurers Association Legislative Committee
March 19, 1984

On behalf of the Kansas County Treasurers Association, I am appearing before you to request your favorable support of S.B. 738. This bill would remedy a situation constantly confronting Treasurers, that being the explanation of why there are refunds on truck registrations and not on automobile registrations, especially when these vehicles are being disposed of.

Eventhough Treasurers are victims of the present regulations concerning these refunds and because the public perceives the Treasurers office as an extension of the State Motor Vehicle Department, and because the public views these refunding procedures as inept; these refunding procedures have become a political liability for many Treasurers.

Should Senate Bill 738 become law this somewhat precarious situation would be eliminated. Also if this Committee would consider an amendment to S.B. 738, changing the minimum from \$10.00 to \$5.00, it would also eliminate additional confusion. Based on the fact that the minimum on motor vehicle tax refunds is presently \$5.00, it would seem logical to maintain the same minimum on motor vehicle registration refunds. Thus eliminating the confusion of having to explain why it would be feasible to make a refund in one instance for \$5.00 and in the other instance for \$10.00. Many people feel \$9.99 is a meaningful amount of money, especially when it constitutes the majority of a registration period. Therefore the public feels this much money should either be refunded or let the registrant retain the tag and registration card to be used at a future time.

The Kansas County Treasurers Association requests that this Committee look favorably on this amendment and pass Senate Bill 738.

Thank you.

Mike Billinger
Ellis County Treasurer
Chairman K.C.T.A. Legislative Committee

Att. 1

TO: House Committee on Transportation
FROM: Steven C. Montgomery, Kansas Oil Marketers Association (KOMA)
RE: Testimony in Support of Senate Bill No. 772
DATE: March 19, 1984

Senate Bill No. 772 amends K.S.A. 79-3417, 79-3453 and 79-3456 of the Kansas Motor Fuel Tax Law. The bill amends these provisions pertaining to certain aspects of refund claims for motor fuel (gasoline) taxes and has two purposes:

1. Increase the time limits for tax refund claims filed by distributors in the event of catastrophic losses of fuel (Section 1); and
2. Modernize existing provisions regarding the proof required of users when filing refunds for motor fuel (gasoline) taxes when purchased from card and key pumps.

1. Refunds for Catastrophic Losses.

Whenever gasoline in the possession of a distributor on which the tax has been paid, is destroyed due to one of the causes listed in K.S.A. 79-3417, the distributor is entitled to a refund of the tax paid if:

1. the quantity of the loss is 100 gallons or more;
2. the distributor notifies the director of taxation of the loss within 10 days of the loss; and
3. Within 30 days after notifying the director of the loss, the distributor files an affidavit with the director on a form furnished by the director.

The amendment proposed in lines 31-32 of S.B. 772 increases the time limit imposed upon the distributor for notifying the director of the loss from 10

Att. 2

days to 60 days (step #2 above). In the event of a catastrophic loss, the distributor generally has many important concerns other than claiming a refund for motor fuel tax. Such concerns range from settling losses with insurance companies to reopening the business following the fire, explosion, flood etc. Often the distributor does not even realize that the time limit for these particular types of refunds differs from the time limits for other refunds of fuel tax (e.g., 1 year for off-road refunds in K.S.A. 79-3458.) When claims are filed after the deadline, the Department of Revenue denies the claim and the legislature usually must consider the matter when a claim is filed before the Claims Committee. The amendment proposed in Section 1 offers a more realistic and equitable approach to the handling of refunds for catastrophic losses.

2. Refunds for Card and Key Pump Purchases.

The use of card and key pumps is increasing throughout the state and the United States. It allows the user the flexibility to make fuel purchases at any time, rather than being restricted to hours when employees are on duty. These devices also allow the distributor to dispense fuel during hours which employees are not on duty. The card or key pump works in a manor similar to automated bank tellers. Each user has a card or a key which activates the fuel pump. At the end of the billing period, a statement of disbursements is sent to the user. The statement is similar to other credit card statements in that debits are shown for purchases and credits are shown for payments received during the billing period.

The card/key pump however, is a fairly recent technology and was not envisioned at the time the Kansas Motor Fuel Tax Laws were drafted. Such an omission creates problems with respect to claims for off-road gasoline tax refunds when the purchases are made from card/key pumps. In order to obtain tax refunds, each purchase should equal or exceed 40 gallons (K.S.A. 79-3453). However the statutory language has never been crystal clear. The amendment in Section 2 would clarify this requirement.

At the time a user submits a claim for refund, the user must attach invoices which demonstrate that the fuel tax has been paid. (K.S.A. 79-3456) However, the procedure outlined in the statute contemplates only the use of manually completed invoices. The amendments contained in Section 3 of S.B. 772 insert language controlling the invoices submitted by automated procedures, which procedures are approved by the director of taxation. In meetings with the Department of Revenue prior to the request for this legislation, the Department indicated support for legislation which would provide specifically for automated procedures, thereby recognizing this growing technology. The language in lines 102-108 contemplates that invoices would be completed in duplicate at the end of each billing period, with the user receiving the original and the distributor retaining a copy. When the user remits for the purchases, the subsequent invoice shall show the amount paid. When filing for a refund, the user will present the first invoice showing the purchase and the subsequent invoice showing the payments made. The claim form drafted by the Department of Revenue could contain an affidavit which clearly states that each separate purchase equals or exceeds 40 gallons.

The amendments contained in Sections 2 and 3 of S.B. 772 will update the statutory language to clearly allow for card/key purchases and may prove to curb some refund abuses of the Kansas Motor Fuel Tax Laws.

913-899-2652

Comments on SB 688 by Richard G. Farris
EDSON, KS 67533

- Safety in transportation of our equipment is of primary concern to those of us involved in transporting our equipment Custom harvesting.

I think that our record as a whole has been very good. I do not think that the extra time and expense to move our equipment is necessary or that it will make this movement safer.

Kansas has many wide roads which are safe to transport ~~these~~ our combines over. Due to the colors and size of our combines I do not feel that oversize load signs or red flags do any good.

In Kansas, many of our jobs are short runs and we many times send 1 or 2 machines ahead to start on the next job. This requirement for beacon lights and flag vehicles will create hardship on many custom operators as they only have 1 service vehicle which pulls an 8' wide trailer house. If their service vehicle is in front they will ~~not have~~ have to spend a lot more time along the highway in the event of a break down or flat tire.

Montana and Wyoming are the only states which currently require any of the proposals in this bill. Neither state requires escort vehicles or rotating amber lights ^{to move} ~~under~~ ^{combin} 144" wide and if over that width only to move on highways where the pavement width is less than the width of the combine

- Short distance movement in these states (under 150 miles) between jobs in the same state we are not required to have flags or signs.

We also do not have to have ~~the~~ recent vehicles on interstate highways or wide load permits on these

✓ highways - We are encouraged to use these roads as they are safer.

✓ Seasonal Wide load permits for Interstate &