

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES

The meeting was called to order by SENATOR JAN MEYERS, VICE-CHAIRPERSON at
Jan Meyers Vice-Chair
Chairperson
9:00 a.m./p.m. on Friday, February 10, 1984 in room 254-E of the Capitol.

All members were present except:

all members present.

Committee staff present:

Fred Carman, Hank Avila, Rosalie Black

Conferees appearing before the committee:

SB 591 - Bill Green, Corporation Commission; Mary Turkington, KS Motor Carrier Assoc.;
Jerry Taylor, Hillcrest Wrecker & Garage, Lawrence;
Jack Quinlan, KS Motor Car Dealers Assoc.; Ron Welch, AAA Auto Club of KS;
Mary Ellen Conlee, City of Wichita

The meeting was called to order by Senator Jan Meyers, Vice Chairperson, who introduced Bill Green to discuss Senate Bill No. 591 which, if passed, would require local tow trucks to be licensed by the Kansas Corporation Commission.

SENATE BILL NO. 591 - HEARING

Bill Green explained that the KCC has no position on the proposal which would bring under regulation a new class of wrecker carriers for registration. He added that the bill proposes that local wrecker operators make application to the commission for a local wrecker carrier permit for a one-time fee of \$10 and a re-registration fee of \$10 annually per power unit. The fee would generate \$14,000 the first year the law goes into effect and \$7,000 each year thereafter to fund administrative costs the commission may incur in registering local wrecker carriers.

Mary Turkington introduced Jerry Taylor, Jack Quinlan, Ron Welch and Mary Ellen Conlee noting that each supported SB 591.

Testifying as the main speaker for the motor carrier association, Jerry Taylor indicated the proposal is a revised version of legislation motor carriers outlined to the committee last year. He said the importance of clarifying definitions is to make the difference clear between pulling farm machinery behind a pickup and not charging as compared to operating a "wrecker vehicle" for hire. He added that without proposed statutory definitions, that distinction could not

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES,
room 254-E, Statehouse, at 9:00 a.m. a.m./p.m. on February 10, 1984.

SENATE BILL NO. 591 - HEARING (con't.)

be made. (See Attachment 1.)

Ron Welch urged passage of the bill because the auto club approves of registration, insurance requirements, and compliance with basic safety rules and regulations required by the commission for motor truck vehicles.

Even though car dealers do not charge for their towing services, Jack Quinlan said they support the bill as a clean up of "gray areas" from last year's legislation which dealers also supported.

Mary Ellen Conlee stated that the Wichita police department is particularly interested in the licensing of local tow trucks since drivers of unidentified wreckers are stealing cars in the city.

The meeting adjourned at 9:40 a.m.

February 10, 1984

Kansas Motor Carriers Association

Industry representatives present for hearing on Senate Bill 591:

Jerry Taylor, Hillcrest Wrecker & Garage, Inc., Lawrence, Ks.

Leo Augustine, Salina Wrecker Service, Inc., Salina, Ks.

Ron Blackley, Overland Tow Service, Inc., Overland Park, Ks.

Chris & Jana Bowyer, Flint Hills Towing, Inc., Emporia, Ks.

Gary Brown, Brown's Super Service, Inc., Topeka, Ks.

David Cole, J and D Automotive, Inc., Kansas City, Ks.

Barney Cooke, Mid America Wrecker Sales, Merriam, Ks.

Leigh Davenport, Leigh's 24-Hour Wrecker Service, Concordia, Ks.

Jim Love, Otis Lane, Inc., Topeka, Ks.

Bob & Alice Nankivell, Bob's Garage, Pittsburg, Ks.

Bill Pickle, Doonan Truck & Equipment, Inc., Great Bend, Ks.

Jack Powell, Auto Inn, Inc., Wichita, Ks.

Gene Richardson, Arrow Wrecker Service, Inc., Wichita, Ks.

Mike Schiffelbein, Schiffelbein Auto Repair, Garden City, Ks.

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 Senate Transportation & Utilities Committee, Senator Robert Talkington, Chairman; Statehouse, Topeka, Friday, February 10, 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. You will note that we have changed the name of our Division. We don't pretend to be "wreckers" of anything; we do tow and recover vehicles.

I appear here this morning on behalf of our Division members and the Association to support the passage of Senate Bill 591.

This is a revised version of the legislation we outlined to your Committee a year ago.

Attch. 1

We explained to you at that time that the owners and operators of wrecker vehicles were 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.

There has been some comment on "why" this proposal would come before you from the wrecker operators themselves. Some honestly have felt that there must be some selfish reason for the introduction of this bill.

There is.

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.

That is our "selfish motive" in seeking passage of this legislation.

I indicated that there are revisions in Senate Bill 591 over the legislation considered by this Committee last year. Let me briefly outline provisions of the bill.

The first section 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 a \$10 per year per power unit fee. This fee is proposed to fund any administrative costs the Commission may have in registering such local wrecker carriers.

We have deleted any reference in the revised bill to requiring local wrecker carriers to file any statement of charges with the Commission. 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.

The reason the provision was included in the initial bill proposed to this committee was simply a matter of information to provide some idea of the level of charges local wrecker operators were asking the public for their services. Senate Bill 591 does not address rates in any way.

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 any reference to the retrieving or towing of disabled vehicles by a dealer and simply 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. 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 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.

This proposal also deletes a section to which Senator Elwaine Pomeroy objected that would have permitted Commission inspectors to have law enforcement powers.

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 and the AAA Automobile Club of Kansas.

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

#####