

MINUTES OF THE House COMMITTEE ON Transportation

The meeting was called to order by Rex Crowell at
Chairperson

1:30 ~~xxx~~ p.m. on February 20, 1986 in room 519-S of the Capitol.

All members were present ~~except~~

Committee staff present:

Bruce Kinzie, Revisor of Statutes
Tom Severn, Legislative Research
Donna Mulligan, Committee Secretary

Conferees appearing before the committee:

Representative Eugene Shore
Col. Bert Cantwell, Kansas Highway Patrol
Mr. Russ DeWitt, Sheriff, Hugoton, Kansas
Captain David Hornbaker, Kansas Highway Patrol
Mr. Dick Brewster, AMOCO Oil Company
Mr. Charles Nicolay, Kansas Oil Marketers Association

The meeting was called to order by Chairman Crowell, and the first order of business was a hearing on HB-2853 concerning the inspection of vehicle identification numbers.

Representative Eugene Shore, sponsor of HB-2853, briefed the Committee on its contents. (See Attachment 1)

Representative Shore said that under current law, the Highway Patrol is responsible for doing vehicle identification number (VIN) inspections of vehicles purchased out of state. He reported that in border counties many vehicles are purchased in neighboring states that have to be inspected prior to titling in Kansas. Representative Shore stated there have been inconvenient delays, or people have been asked to bring a vehicle for inspection at an unreasonable time.

Representative Shore said that HB-2853 would change the law so the county sheriffs, the Highway Patrol, or their designees could do the inspections.

Col. Bert Cantwell, testified on behalf of Mr. Bob Clester, Kansas Sheriffs Association, in opposition to HB-2853.

Col. Cantwell relayed a message from Mr. Bob Clester that the majority of the sheriffs do not support the provisions of HB-2853.

Mr. Russ DeWitt, Sheriff, Hugoton, Kansas, testified in opposition to HB-2853.

Mr. DeWitt discussed the contract which must be signed with the Highway Patrol in order to perform the vehicle identification number inspections (VIN), and expressed dissatisfaction with it. (See Attachment 2)

Captain David Hornbaker, Kansas Highway Patrol, spoke in opposition to HB-2853. (See Attachment 3)

Captain Hornbaker said he is in opposition to adding the sheriffs to Section 1(a) of the Act, and added that currently only the Patrol may perform the necessary checks in Section 1(a).

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Transportation,
room 519-S, Statehouse, at 1:30 ~~xxx~~ a.m./p.m. on February 20, 1986

Captain Hornbaker said in regard to the amendments to Section 1(b) he believes this to be rather superfluous, as presently under Section 1(d), the Superintendent of the Patrol may designate the inspections throughout the state. He stated currently there are designees in 98 of the 105 counties in Kansas, who are performing the necessary inspections in a favorable manner with very few problems.

Committee questioning and discussion ensued regarding audit procedures, whether or not the Highway Patrol was supportive of using designees, and what the proper amount to be remitted by the designee should be.

Representative Spaniol asked if the Patrol would support putting qualified applicants for the inspections on a bid basis. Captain Hornbaker recommended Colonel Cantwell answer this question.

Colonel Bert Cantwell said that the designees are not making very much money doing the inspections, and it would not be worthwhile putting it on a bid basis.

The hearing on HB-2853 was concluded.

The next order of business was a hearing on HB-2973 concerning the requirement of motor fuels to be priced for sale in whole numbers of cents.

Representative Rick Bowden, principal sponsor of HB-2973, briefed the Committee on its contents. He said the bill would simplify the purchase of gasoline.

Mr. Dick Brewster, AMOCO Oil Company, spoke in opposition to HB-2973. He said the pricing of gasoline by using the nine-tenths cent is a marketing tool and not meant to deceive the public. (See Attachment 4)

Mr. Charles Nicolay of the Kansas Oil Marketers Association, testified in opposition to HB-2973.

The hearing on HB-2973 ended.

The meeting was adjourned at 2:45 p.m.



Rex Crowell, Chairman

GUEST LIST

COMMITTEE: Transportation

DATE: 2-20-86

PLEASE PRINT

NAME	ADDRESS	COMPANY/ORGANIZATION
Jerel Wright	Topeka	KCUK
Bill Anderson	Mission	Water Dist #1 of Jo Co
Roger W BARR	TOPEKA	BRAC
Ron Calbert	NEWTON	U. J. U.
Leroy Jones	Overland Park	B. L. E.
Tom Whitaker	Topeka	Ks Motor Carriers Assn.
Bruce Graham	TOPEKA	Ks Motor Carriers Assn.
MARY E TURKINGTON	Topeka	Kansas Motor Carriers Assn.
Dick Brewster	Topeka	Amoco Corporation
Charles Nicolson	Topeka	Ks Oil Marketers Assn.
Richard O. Schlegel	Manhattan	ABATE
EDWARD R. DE SOIGNIE	TOPEKA	KANSAS DEPT. OF TRANSP.
Patricia Wiechman	Topeka	K. A. D. R. A.
Maui Heimaker	"	KHP
<i>[Signature]</i>	"	"
<i>[Signature]</i>	"	"
PAT BARNES	"	Ks. Motor Car Dealers Assn.
JIM SUZZINS	"	" " " " "
STEVE LEWIS	HUGOTON	STEVENS Co. S.O.
Kuss Jewitt	Hugoton	Stevens Co. Sheriff
Rich Bond	Topeka	<i>[Signature]</i>

TESTIMONY BY REP. EUGENE SHORE
H.B. 2853
February 20, 1986
House Transportation Committee

H. B. 2853 was introduced at the request of some of the County Sheriff's in my district.

Currently the Highway Patrol is responsible for doing VIN inspections of vehicles purchased out of state or out of service vehicles being placed back in service. This inspection is an inspection to check ownership of the vehicle, and not a safety inspection. It consists of reading the identification number off of the vehicle, calling the motor vehicle department to verify ownership, and collection of a \$10 fee. A process simple enough for anyone employed by the sheriff's office to perform. In our border counties we have many vehicles purchased in our neighboring states that have to be inspected prior to titling in Kansas. Many times these people have been put off for unreasonable lengths of time or asked to bring a vehicle in to be inspected at an unreasonable time. Add to this the waste of manpower by having a highway patrolman do the inspection, we have a need for a change.

Last year we allowed the Highway Patrol to have designees do the inspection. This legislation would change the law so the County Sheriffs, the Highway Patrol or their designees could do the inspections. The problem with letting the sheriffs simply be designees in the contract which simply puts the sheriffs in a position of being under the thumb of the Highway Patrol and local patrolmen tend to be over zealous with their authority. If we are going to allow our sheriffs to do the work, we should give the authority to be in control of the operation to them.

I'll stand for questions.

*H. Transp. 2/20/86
Attachment 1*

VEHICLE IDENTIFICATION NUMBER INSPECTION AGREEMENT

THIS AGREEMENT entered into this 17th day of December, 1985, by and between the Superintendent of the Kansas Highway Patrol, hereinafter referred to as the "Patrol," and Russ DeWitt, Stevens County Sheriff of Hugoton, Kansas, hereinafter referred to as the "Designee."

WHEREAS, K.S.A. 1984 Supp. 8-116a established certain vehicle identification inspection requirements for persons making application for any original Kansas title for a used vehicle; and

WHEREAS, pursuant to the aforesaid statute the Superintendent has designated Russ DeWitt, Stevens County Sheriff to perform the aforesaid inspections on behalf of the Kansas Highway Patrol in the Counties of Stevens;

NOW THEREFORE, the parties do hereby agree as follows:

1. DESIGNEE RESPONSIBILITIES. The Designee agrees to fully and properly perform vehicle identification number inspections and verifications as required by K.S.A. 1984 Supp. 8-116a, pursuant to the aforesaid designation, and in accordance with the rules and regulations of the Secretary of Revenue and the policies, procedures and instructions of the Patrol.

2. EFFECTIVE DATE. This Agreement shall be enforced in effect from and after JANUARY 1, 1986, and shall continue thereafter until otherwise amended or terminated in accordance with it's provisions.

3. AGREEMENT SUBJECT TO. This Agreement is subject to the provisions of K.S.A. 1984 Supp. 8-116a, as it may be amended from time to time, and is further subject to the Designee's satisfactory performance of all responsibilities and duties imposed pursuant to K.S.A. 1984 Supp. 8-116a, the Superintendent's designation thereunder and the provisions of this Agreement.

4. INSPECTION FEES. The Designee hereby agrees that for each inspection or verification, the fee to be charged shall be \$10.00 per hour or part thereof, with a minimum charge of \$10.00. This fee shall be collected from the vehicle owner at the time the inspection is performed. If personal checks are accepted by the Designee, they shall be made payable to the Designee and not the Patrol or the State of Kansas, and the Designee shall at all times be responsible for collection of all fees.

5. STATE SHARE OF FEES & COMPENSATION. (a) The Designee shall remit to the Patrol the state share of fees of \$1.00 for each vehicle inspection or verification performed. The balance of fees collected are to be retained by the Designee as compensation.

(b) The \$1.00 state share of each fee may be remitted to the Patrol weekly, but in no event shall remittances be less frequent than bi-monthly. The Designee shall remit the state share by check or money order to:

Kansas Highway Patrol
Motor Vehicle Enforcement Division
P.O. Box 2338
Topeka, Kansas 66601

(c) The Designee shall be responsible for remitting the state share of fees where payment by vehicle owner is by check, regardless of the Designee's ability to collect payment in full from the vehicle owner.

(d) The Designee shall include with each remittance to the Patrol a copy of the inspection form for each inspection or verification for which remittance is made.

6. RECORDS. The Designee shall keep appropriate and necessary financial records, including a record of each inspection or verification conducted, noting the vehicle owners name and address, vehicle description, vehicle identification number, date of inspection and fee collected. The Designee's copy of the inspection form may be used as this record. A record shall also be maintained of all monies remitted to the Patrol as required in the paragraph 6 above. The Designee shall maintain all required records for a period of not less than three years. All such records shall be subject to the review and inspection of the Patrol at all times.

7. FACILITIES & EQUIPMENT. All facilities and equipment used to perform the vehicle inspection or verification shall be provided by the Designee. The facilities and their location shall be subject to prior approval of the Patrol.

8. BUSINESS HOURS. The Designee shall maintain regular business hours and the schedule of such hours shall be approved in advance by the Patrol. Copies of the schedule of business hours shall be provided to all appropriate local offices. While the business hours need not be forty hours per week, they should be such as are reasonably necessary to accommodate the needs of the public, and are subject to prior approval by the Patrol.

9. EMPLOYEES. (a) The Designee shall submit to the Patrol the following information on each individual who will actually perform inspections and/or verifications: (1) criminal and personal background information, including law enforcement education, training and experience; (2) an original sample of each individual's signature; and (3) such other and further information as may be requested by the Patrol. Each proposed

individual shall be approved by the Patrol prior to performing inspection and/or verifications. The Patrol may at it's sole discretion, reject any individual proposed by the Designee.

(b) For each individual terminal operator who will access the National Crime Information Center (NCIC), excepting those individuals who are employees of the Patrol, the Designee shall provide: (1) criminal and personal background information, including law enforcement education, training and experience and (2) such other and further information as may be requested by the Patrol. Any terminal operator accessing the NCIC must be a current employee of a bonafide law enforcement agency. The Patrol may at it's sole discretion, reject any proposed individual.

10. TERMINATION OF AGREEMENT. (a) This Agreement may be terminated by either party at any time, without cause, and upon delivery to the other party of written notice 90 days in advance of the effective date.

(b) This Agreement may be terminated by the Patrol without advance notice to the Designee upon the withdrawal of designation and for failure of the Designee to fully and properly perform it's duties under this Agreement or for other just cause. Such cancellation shall be effective upon delivery of written notice to the Designee or any of its agents or employees. Following such cancellation the Patrol shall, upon written request, provide the Designee with a written statement of the reasons for the cancellation.

(c) If the Designee is an individual or sole proprietorship, the designation and this Agreement shall terminate upon the death or incapacity of the Designee.

11. TAXES & INSURANCE. The Designee shall be responsible for any federal, state or local taxes which may be imposed or levied upon or related to the subject matter of this contract. The Designee shall be fully responsible for any insurance against loss or damage to any person or property arising out of or relating to the administration of the responsibility set out in this Agreement and shall fully bear the risk of any loss or damage.

12. NONDISCRIMINATION. The Designee agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001, et seq.) and to discriminate against any person who performs work hereunder, because of race, religion, color, sex, physical handicap unrelated to such person's ability to engage in this work, national origin or ancestry; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer;" (c) to comply with the reporting requirements set out at K.S.A. 44-1031; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such act by the Kansas Commission on Civil Rights, shall constitute a breach of

the contract and it may be cancelled, terminated or suspended in whole or in part by the Director of Purchases, State Department of Administration.

The parties to this Agreement understand that subsections (b) through (e) above are not applicable to a contractor, who employs fewer than four employees or whose contracts with the Patrol total less than \$5,000 during any state fiscal year.

13. INDEMINIFICATION. It is further expressly understood and agreed that the Designee will indemnify and hold harmless the State of Kansas, its agencies, officers and employees of, from and against any and all claims, action, law suits, liabilities and/or losses of any kind or nature whatsoever which do or might arise out of or result from any claim, law suit or action brought by any person arising out of or relating to the administration of the responsibility set out in this Agreement, and the Designee will be responsible for and pay in full any and all judgments that might be entered therein against the State of Kansas, its agencies, officers or employees and promptly pay and reimburse any and all attorneys fees, court costs and expenses incurred by the State of Kansas, its agencies, officers and employees as they become due.

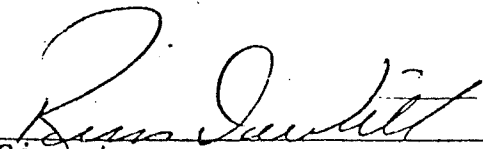
14. ASSIGNMENT. The Superintendent's designation and the rights and responsibilities of the Designee under this Agreement may not be assigned, transferred nor encumbered without the prior written consent of the Patrol. This Agreement shall be binding upon the heirs, successors and assigns of the parties.

15. REPRESENTATION. By signing this document, the representative of the Designee hereby represents that he/she is duly authorized to execute this Agreement on behalf of the Designee.

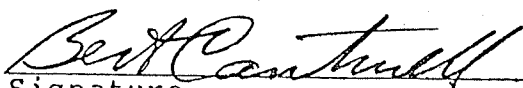
IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

DESIGNEE

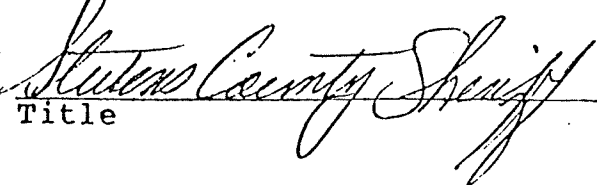
PATROL



Signature



Signature



Title

Superintendent
Kansas Highway Patrol

SUMMARY OF TESTIMONY
BEFORE THE HOUSE TRANSPORTATION COMMITTEE

HOUSE BILL 2853

PRESENTED BY
THE KANSAS HIGHWAY PATROL
(Captain David Hornbaker)

FEBRUARY 20, 1986

This bill proposes to permit county sheriffs to perform all the functions legislated to the Kansas Highway Patrol by K.S.A. 1985 Supp. 8-116a.

We are in opposition to adding the sheriffs to Section 1(a) of the Act. Currently only the Patrol may perform the necessary checks required in Section 1. This pertains to assembled, reconstructed, reconstituted or restored vehicles. These are vehicles which are normally made from components from many vehicles. We thoroughly investigate all of the components prior to the issuance of an assigned identification number, utilizing only specifically trained troopers. The assigned number is then requested from our headquarters in Topeka. We utilize special equipment to stamp a special plate with the appropriate number. To maintain the integrity of the assignment of Kansas issued identification plates, we suggest this section remain with the Patrol.

In regards to the amendments to Section 1(b), we believe this to be rather superfluous. Presently under Section 1(d), the Superintendent of the Patrol may designate the inspections throughout the state. Currently we have designees in 98 of the 105 counties in Kansas. Many of these designees are the sheriff's departments. The designees are currently performing the necessary inspections in a favorable manner, and very few problems have arisen.

In conclusion, we feel this amendment to K.S.A. 1985 Supp. 8-116a is unnecessary, as the present procedure is creating no problems.

*H. Transp. 2/21/86
Attachment 3*

STATEMENT TO:

KANSAS HOUSE COMMITTEE ON TRANSPORTATION AND UTILITIES

REGARDING HOUSE BILL NO. 2973

FEBRUARY 20, 1985

BY:

E. Richard Brewster

AMOCO OIL COMPANY

*H. Transp.
Attachment 4*

Mr. Chairman, Members of the Committee, my name is Dick Brewster. I am Government Affairs Representative for Amoco Corporation, and I appear today on behalf of Amoco Oil Company, our refining and marketing subsidiary. I am a registered lobbyist in Kansas.

Amoco opposes House Bill No. 2973. We believe it adversely effects the ability of our dealers to market their motor-vehicle fuel in the most effective way they can.

For as long as I can remember, gasoline has been sold with nine-tenths of a cent as part of the price. I am convinced that the public knows full well that the nine-tenths is there. The pump itself shows this fraction, as does the street sign. In fact, the nine-tenths is something that I am personally so accustomed to, that a few years ago, during the oil embargo and resultant shortages and high prices, I noticed a few dealers here and there were posting a price which included a one-half cent tag. I even saw a four-tenths tag at one time.

My point in making these observations is to indicate that my noticing the change from nine-tenths to some other fraction, tells me that I know very well that the fraction is there. And if I noticed it, so did everyone else. No one is deceived into thinking he or she is paying 88 cents, if the posted price is 88.9 cents.

Everyone who sells products to the public, be it motor fuel, an automobile, a sewing machine or groceries, tries to make the product as attractive as possible. Candy bars are sold for 49 cents, not half a dollar. Sewing machines are sold for \$99.95, to be under one hundred dollars. There are examples everywhere. My point is merely that such pricing is a marketing tool. The consumer knows what is being paid. But, if a car dealer can shave a hundred dollars off the price of a car, and sell it for \$12,900.00, instead of \$13,000.00, shouldn't he or she be allowed to? If a clothing store can shave ten dollars off the price of a dress and sell it for \$90.00 instead of one hundred, why not? If a grocer can cut a nickel off the price of a loaf of bread, and sell it for 95 cents, or can shave a penny off the price of the candy bar and sell it for 49 cents, why not?

And, of course, if a motor fuel dealer can shave a tenth of a cent off the price of a gallon of gasoline, why not? There certainly is no qualitative difference in the examples I have given you, only a quantitative difference. And, one we start setting prices in a free market, when or where do we stop?

I should also mention that only one other state, Iowa, according to my information, has such a statute. Iowa has no major metropolitan area close to its border. Amoco believes that a different pricing structure, as this bill would require, could well cause customers on the Kansas side of the line to purchase their fuel on the Missouri side. As you know, a very high percentage of the residents in the Kansas City area who live in Kansas routinely cross the border for one reason or the other. We are concerned that the bill, if enacted, would cause, at least, confusion in the marketplace. We see no real need for this legislation, and would urge you not to recommend it to the full House for consideration.

Mr. Chairman, Members of the Committee, thank you for your attention. I will be glad to try and answer any questions you might have.



E. Richard Brewster
Amoco Oil Company
800 Jackson, Suite 1416
Topeka, Kansas 66612