

Approved \_\_\_\_\_

Date

4-23-86

MINUTES OF THE House COMMITTEE ON Ways and Means

The meeting was called to order by Bill Buntten at \_\_\_\_\_  
Chairperson

12 Noon a.m./p.m. on Wednesday, April 2, 1986 in room 514-S of the Capitol.

All members were present except:

Committee staff present: Jim Wilson, Revisors Office  
Gloria Timmer, Research  
Laura Howard, Research  
Sharon Schwartz, Administrative Aide  
Nadine Young, Committee Secretary

Conferees appearing before the committee:

Warren Corman, Board of Regents  
Don Stumbaugh, Crime Victims Reparitions Board  
Vincent King, KG&E  
Harley Duncan, Secretary of Revenue  
Joan Hamilton, Osage County Treasurer  
Barbara Sabol, Secretary of Health & Environment  
Others present (see Attachment A)

Chairman Buntten called the meeting to order at 12:00 Noon and told the committee to be prepared to work this coming Saturday; however if anyone had other commitments, they should let him know as soon as possible.

HB 3119 -- concerning the department of social and rehabilitation services; authorizing sale of real property of certain institutions thereunder; prescribing procedures; disposition of proceeds.

Bill was heard previously - On a motion by Representative Rolfs and a second by Representative Turnquist, the bill was recommended favorable for passage.

HB 3132 -- increases the vehicle registration fee on motor vehicles by \$1.00 for 2 years in order to pay for the vehicle information processing system (VIPS) which is a new computerized program to: 1) collect fees 2) register and renew vehicles 3) title vehicles 4) secure mortgage interests in vehicles, and 5) make vehicle information available to law enforcement. It's expected to reduce cost in F.T.E. at state and county level when fully implemented. Will cost approximately \$5.4 million to develop and implement. Will save \$7.5 million indirect, and is expected to pay for itself in 7 to 8 years.

Secretary of Department of Revenue Harley Duncan testified in favor of the bill and provided written facts and figures (Attachment B).

Joan Hamilton, Osage County Treasurer appeared on behalf of County Treasurers in support of the bill. She said it now takes 6-8 weeks for processing of a new vehicle title. The new system would narrow the time to one week.

On the bill, Representative Shriver moved that HB 3132 be recommended favorable for passage. Seconded by Representative Ott. Motion carried.

HB 3136 -- concerning the conservation fee fund of the state corporation commission; relating to revenues and the unencumbered ending balance in such fund for each fiscal year.

Jim Wilson, Revisors office, explained the bill for the committee. HB 3136 concerns the conservation fee fund of the Kansas corporation commission and requires them to consider fund balance and reduce fees proportionately.

Representative Chronister moved that HB 3136 be recommended favorable for passage. Seconded by Representative Heinemann. Motion carried.

Unless specifically noted, the individual remarks recorded herein have not been transcribed verbatim. Individual remarks as reported herein have not been submitted to the individuals appearing before the committee for editing or corrections.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Ways and Means,  
room 514-S, Statehouse, at 12 Noon a.m./p.m. on Wednesday, April 2, 1986

SB 657 -- concerning the Kansas educational building fund; authorizing transfers of amounts between items of appropriation; prescribing guidelines, powers, duties and functions for the state board of regents and the state finance council.

This bill will shorten appropriation bill language - there is no policy change. Warren Corman, speaking for Board of Regents, said it would allow the Board to transfer EBF money between seasons with approval of the Finance Council, from one project to another.

On a motion by Representative Heinemann and a second by Representative Dyck, SB 657 was recommended favorable for passage.

Chairman turned to SB 658 -- concerning service clearing funds at educational institutions under the control and supervision of the state board of regents; prescribing certain limitations, guidelines and procedures therefor.

On a motion by Representative Rolfs and a second by Representative Heinemann, SB 658 was recommended favorable for passage.

SB 684 -- concerning the Kansas animal health department; abolishing certain fee funds and creating the animal disease control fund.

The bill merges four different funds into one fund. The same bill was passed last year, but did not get included in the appropriations. Representative Heinemann moved and Representative Guldner seconded that SB 684 be recommended favorable for passage.

SB 685 -- concerning the crime victims reparations fund; amending K.S.A. 74-7317 and repealing the existing section.

Don Stumbaugh of Crime Victims Reparations Board explained the bill and provided handout (Attachment C) which gives information on the fiscal impact. A savings of \$89,029 from the general fund would result. Representative Duncan offered an amendment by including the provisions of SB 701 into SB 685, allowing the return of any recovered funds to the CVR fund instead of the general fund. It was seconded by Representative Heinemann. Motion carried.

On the bill, Representative Duncan moved that SB 685, as amended, be recommended favorable for passage. Seconded by Representative Heinemann. Motion carried.

HB 3133 -- concerning the monitoring of the environmental impact of power generation facilities.

Representative Shriver explained the bill for the committee. HB 3133 removes health and environment from monitoring wolf creek generating facility on environmental impact. It was felt that to continue under the old policy would be a duplication of efforts, and also costly in providing additional monitoring equipment. Health and Environment will do desk audits of all the records.

Vincent King of Kansas Gas & Electric testified in support of the bill. It is estimated that this new policy will save about \$90,000 a year in the budget.

Secretary Sabol addressed the committee and pointed out the major policy issues. She said she is neither pro nor con on the issue, but that H & E will be able to adopt regulations to set standards to meet the requirements that exist around a nuclear plant.

Representative Helgerson opposed the bill and objected to this responsibility being left in the hands of the utility company. Representative Shriver moved that HB 3133 be recommended favorable for passage. Seconded by Representative Ott. After a voice vote, Representative Helgerson requested division. There were 15 yea votes. The motion carried. Representative Helgerson requested to go on record as voting no.

Representative Shore was recognized and requested introduction of three bills relating to infield drilling. They represent requests of KCC. On a motion by Representative Rolfs and a second by Representative Teagarden, Page 2 of 2 the bills were introduced.

Meeting adjourned at 1:20 p.m.



## VIPS PAPER

### What is VIPS?

1) VIPS is a computerized system designed to streamline the functions of the Division of Vehicles, Title and Registration Bureau. These functions are:

- Collect, report and deposit motor vehicle related fees
- Register and renew vehicles
- Title vehicles
- Secure mortgage interest in vehicles
- Make vehicle information available to law enforcement agencies

2) VIPS is also a large system development project. Significant features of the process include:

- Development is following the AGS Management Systems Inc., methodology SDM/70 consisting of nine phases. Four phases of the project are complete:
  - System Requirements Definition
  - System Design Alternatives
  - System External Specifications
  - System Internal Specifications
- Five phases of the development process remain:
  - Program Development
  - Testing
  - Conversion
  - Implementation
  - Post Implementation Review
- VIPS has been developed primarily by Department of Revenue personnel with consultant assistance during System Design Alternatives, System External Specification, and System Internal Specifications.
- VIPS is scheduled to begin a phased implementation in June, 1987.

*Atch. B  
J. W. M. 4/2/86*

*B*

### What are the Features of VIPS (How will it work)?

1) VIPS is a distributed data processing system, with an objective of improving vehicle owner service through improved processing at the County Treasurer's office.

2) Each County Treasurer's office will have significant computer equipment to begin the motor vehicle process. This equipment will include:

- intelligent work stations upon which County Treasurer's staff will input data and inquire into the centralized data base.
- disc drives to store data (titles, registrations, etc.) taken by the County Treasurer.
- printers to print registration renewal documents and other relevant paper work.
- telecommunications equipment to transmit data to the state maintained data base and to inquire into vehicle owner data.
- to insure the ability of each County Treasurer to process VIPS data, the state will prescribe the kind and quality of computer equipment to be used at each County Treasurer's office.

3) As an example of the flow of data through VIPS, the following is an example of a renewal transaction. Renewals represent approximately 70% of system volume.

- The state data center will generate a renewal notice in Topeka and the notices will be mailed to vehicle owners.
- Vehicle owners will either mail or hand carry their information to the County Treasurer's office.
- For each vehicle owner, the County Treasurer will inquire into the state data files to retrieve information stored by the computer, saving time and improving accuracy. Such data will include address, vehicle type, make, model, etc..
- The County Treasurer will inquire of the vehicle owner whether any of the data allowed to be changed should be changed. If so, such changes will be made.
- Upon completion of the data entry process, a receipt will be prepared, reviewed for accuracy and signed by the vehicle owner.
- Renewal fees will be automatically calculated and collected by the County Treasurer.
- The vehicle owner will receive a universal receipt and his/her vehicle tag and/or decal.
- Data will be stored on the county data collection file and transmitted to the state in a batch mode.
- The state maintained data base will be updated with information received from the County Treasurer.

### Why are we developing VIPS and what are the benefits?

1) VIPS is being developed for three primary reasons:

- County Treasurers are presently unable to provide efficient and error free service to vehicle owners in a timely manner.
- law enforcement officials require more rapid and accurate response to their inquiries.
- the present system is antiquated (more than 20 years old), technically obsolete, and difficult (as well as costly) to maintain.

2) Benefits from the new system will include:

- an improved level of service provided to the vehicle owner and County Treasurer, e.g. less time in line, more accurate data, use of improved technology.
- data entry and error correction will be performed at the County Treasurer's office, often within the vehicle owner present.
- provides instantaneous statewide access to an accurate VIPS data base by authorized parties (Division of Vehicles, County Treasurers, Law Enforcement Agencies).
- provides a high level of control over data integrity, funds, plates, decals and other accountable documents.
- reduces reliance on manual procedures.
- reduces system maintenance requirements.

### How much will VIPS cost?

1) VIPS will cost approximately \$5.4 million to develop and implement. These costs include personnel costs and consultant assistance.

2) Projected costs for the first ten years of operation are approximately \$44.5 million compared to a projected cost of \$43.7 million for the present system over the same period.

3) Indirect savings from the new system are projected to be \$7.5 million.

4) Based on the above cost information the new system will pay for itself in approximately 7-8 years.

**How will the money be generated and when will it be needed?**

1) Revenue needed to finance the purchase of the County Treasurer's computer equipment will be financed through an increase of \$1.00 in vehicle registration fees. This across the board increase will become effective January , 1987 and can expire in two years.

2) A comparison of expected system implementation costs and revenue (in millions) is:

	COSTS	REVENUE
FY 87	\$0.87	\$1.43
FY 88	\$1.92	\$2.56
FY 89	\$2.62	\$1.50

Unused revenue could be use for other highway funding requirements.

**Is the increase in registration fees equitable?**

1) It is recognized that an across the board increase effects vehicles of less weight more substantially when viewed as a percentage increase. However, the across the board technique seems acceptable because:

- \$1.00 is a modest amount.
- the potential increase for owners of extremely heavy vehicles is quite large, e.g. \$88.50 for a vehicle weighing 80,000 pounds.

**How do Kansas automobile registration fees compare to registration fees in our neighboring states?**

1) Nine states use unladen weight as the mechanism to calculate vehicle fees. Under the present system, Kansas' average cost is \$18.69 per vehicle owner. The other eight states average is \$25.88: the low being \$10.25 and the high being \$35.00. After the fee increase, Kansas' average automobile registration fee will be \$19.69.

## ADVANTAGES/CAPABILITIES OF VIPS OVER CURRENT SYSTEM

- stabilization of manpower resource needs at the county and State
- reduction or avoidance of county costs for computer related equipment and maintenance on vehicle related applications
- little or no data processing labor overhead for vehicle applications in county offices
- direct access, via leased communications lines, into the State's central vehicle data base
  - resulting in early identification of possible fraudulent registrations (suspended or revoked tag, stolen vehicle, etc.)
  - problems relating to applicants moving from one county to another prior to renewal time would also be alleviated
- automation of the inventory function including automatic assignment of plates and decals, automatic re-ordering of inventory once established re-order point is reached, and control over all accountable inventory items
- automated production of County Treasurer Daily Reports
- reduced reliance upon manual procedures through on-line help screen instructions
- consolidation of multiple application/receipt forms into one standard universal form
- automated processing of special mail out (SMO) title applications
- availability of computerized N.A.D.A. Valu-Guide for assistance on title weight information and sales tax validation
- on-line Value Release Form (VRF) information to ensure proper classification of vehicles for property tax purposes
- computerized file available to counties of personalized plates pending and issued
- on-line inquiry to provide vehicle buyers with estimated property tax assessments on prospective new vehicles
- ability to receive, via the system and communication lines, changes downloaded from the central computer (changes could involve legislation, procedures or program changes)
- edit and validation of vehicle related data at the time an applicant is physically present to provide additional or better information
- significant reduction of applications held up by Division of Vehicles awaiting applicant response to correct deficiencies
- automated correspondence procedures will reduce county interaction with vehicle applicants on error documents
- automatic fee computation by computer
- day end fee collection reporting by individual clerk
- property tax distribution by local tax unit
- error free records available to law enforcement within 24 hours after a transaction; skeleton information available even on error documents
- ability to produce occasional or isolated reports and statistical information easily and efficiently at the State
- a document tracking system for tracking document location once documents are received at the State
- wider level of service at the local level by processing duplicate registrations, verifications, special plate applications, etc.





STATE OF KANSAS  
CRIME VICTIMS REPARATIONS BOARD

112 W. 6TH  
SUITE 400  
TOPEKA, KANSAS 66603 3810  
(913) 296 2359

TO: Gary Stotts, Acting Director of the Budget  
FROM: Don Stumbaugh, Director *DS*  
DATE: February 28, 1986  
RE: SB 685 Fiscal Impact Statement

I. Bill Summary:

The proposed legislation would provide that expenditures from the Crime Victims Reparations Fund which are currently limited to payment of claims may be made for state operations. The Governor's budget recommendation for FY 1987 provides for payment of \$89,029 of state operations from the Crime Victims Reparations Fund thus removing all State General Fund support from the agency. Accordingly, passage of Senate Bill No. 685 would implement the recommendations contained in the FY 1987 Governor's Budget Report.

II. Impact on agency, agency responsibilities, and agency staffing:

None.

III. Fiscal Impact:

The fiscal impact of the proposed legislation is a net reduction of \$89,029 otherwise available for payment of claims. However since the agency is currently receiving Federal Funds, for the first time, in excess of \$89,029 the impact should not hinder the agency in meeting its projected expenditure on claims for FY 87.

IV. Long-range fiscal effect of the measure:

With the current uncertainty of future Federal funding the long range effect would mean minimal growth by the agency unless: 1) docket fees are raised; 2) alternative funding sources are sought; or (3) further program restrictions are implemented.

*Atch. C*  
*D. Williams 4/2/86* *C*



STATE OF KANSAS  
CRIME VICTIMS REPARATIONS BOARD

112 W. 6TH  
SUITE 400  
TOPEKA, KANSAS 66603-3810  
(913) 296-2359

TO: Gary Stotts, Acting Director of the Budget  
FROM: Don Stumbaugh, Director  
DATE: March 5, 1986  
RE: SB 701 Fiscal Impact Statement

I. Bill Summary:

The proposed legislation would permit disposition of moneys recovered by the Crime Victims Reparations Board through subrogation to be deposited into the Crime Victims Reparations Fund. Existing law requires such moneys to be deposited into the General Fund as a reimbursement of general fund expenditures program operations. Under the Governor's FY 87 budget recommendations the Crime Victims Reparations Board would become a user fee agency funded from a \$2 fee assessment on court docket fees. In conjunction with the Governor's recommendation the proposed legislation would shift any reimbursement of reparation expenditures to the fund from which the expenditures were made.

II. Impact on agency, agency responsibilities, and agency staffing:

None.

III. Fiscal Impact:

For FY 1981 through FY 1985 a total of \$35,096 has been recovered through subrogation or a yearly average of \$7,019. The agency estimates that the proposed legislation could provide anywhere from \$5,000 to \$20,000 additional revenues which would be available to the agency for current and future program expenditures.

IV. Long-range fiscal effect of the measure:

As more persons are being placed on probation and parole with conditions of payment of restitution the amounts recovered by the Crime Victims Reparations Board should increase over a long period of time.

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J

	<u>1981</u>	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
SUBROGATION FILED OR BOARD HAS INTERVENED IN CIVIL SUITS	4	7	3	8	11
AMOUNT FILED	\$10,205.23	\$18,138.96	\$12,181.11	\$17,112.19	\$7,488.55
AMOUNT RECEIVED AND DEPOSITED	\$4,371.34	\$1,869.00	\$12,082.00	\$13,889.73	\$2,884.21

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Ways and Means

Recommends that House Bill No. 3136

"AN ACT concerning the conservation fee fund of the state corporation commission; relating to revenues and the unencumbered ending balance in such fund for each fiscal year; amending K.S.A. 55-131, 55-143, 55-609, 55-711, 55-901 and 55-1204 and repealing the existing sections."

Be passed.

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Chairperson

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Ways and Means

Recommends that House Bill No. 3133

"AN ACT concerning the monitoring of the environmental impact of power generation facilities; prescribing powers, duties and functions for the secretary of health and environment; abolishing the power generating facility fee fund; amending K.S.A. 65-3021, 65-3022 and 65-3023 and repealing the existing sections."

Be passed.

\_\_\_\_\_  
Chairperson

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Ways and Means

Recommends that House Bill No. 3132

"AN ACT concerning motor vehicles; authorizing a fee for vehicle information processing; disposition of proceeds."

Be passed.

\_\_\_\_\_ Chairperson

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Ways and Means

Recommends that House Bill No. 3119

"AN ACT concerning the department of social and rehabilitation services; authorizing sale of real property of certain institutions thereunder; prescribing procedures; disposition of proceeds."

Be passed.

\_\_\_\_\_ Chairperson

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Ways and Means

Recommends that Senate Bill No. 684

"AN ACT concerning the Kansas animal health department; abolishing certain fee funds and creating the animal disease control fund; amending K.S.A. 47-1011, 47-1218, 47-1307, 47-1503 and 47-1702 and K.S.A. 1985 Supp. 47-672 and 47-1805 and repealing the existing sections."

Be passed.

\_\_\_\_\_  
Chairperson



REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Ways and Means

Recommends that Senate Bill No. 657

"AN ACT concerning the Kansas educational building fund; authorizing transfers of amounts between items of appropriation; prescribing guidelines, powers, duties and functions for the state board of regents and the state finance council."

Be passed.

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Chairperson

REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Ways and Means

Recommends that Senate Bill No. 658

"AN ACT concerning service clearing funds at educational institutions under the control and supervision of the state board of regents; prescribing certain limitations, guidelines and procedures therefor."

Be passed.

\_\_\_\_\_  
Chairperson

## REPORTS OF STANDING COMMITTEES

MR. SPEAKER:

Your Committee on Ways and Means

Recommends that Senate Bill No. 685

"AN ACT concerning the crime victims reparations fund; amending K.S.A. 74-7317 and repealing the existing section."

Be amended:

On page 1, preceding line 20, by inserting the following material to read as follows:

"Section 1. K.S.A. 74-7312 is hereby amended to read as follows: 74-7312. (a) If reparations are awarded, the state shall be subrogated to all the claimant's rights to receive or recover benefits or advantages for economic loss for which, and only to the extent that, reparations are awarded, from a source which is or, if readily available to the victim or claimant would be, a collateral source.

(b) As a prerequisite to bringing an action to recover damages related to criminally injurious conduct upon which reparations are claimed or awarded, the claimant must give the board prior written notice of the proposed action. After receiving the notice, the board shall promptly: (1) Join in the action as a party plaintiff to recover reparations awarded; (2) require the claimant to bring the action in the claimant's individual name, as a trustee in behalf of the state, to recover reparations awarded; or (3) reserve its rights and do neither in the proposed action. If, as requested by the board, the action is brought by the claimant as trustee and the claimant recovers reparations awarded by the board, the claimant may deduct from the reparations recovered in behalf of the state the reasonable expenses, including attorneys' attorney fees, allocable by the court for that recovery.

(c) If a judgment or verdict indicates separately economic

loss and noneconomic detriment, payments on the judgment shall be allocated between them in proportion to the amounts indicated. In an action in a court of this state arising out of criminally injurious conduct, the judge, on timely motion, shall direct the jury to return a special verdict, indicating separately the award for noneconomic detriment, punitive damages, if any, and the award for economic loss.

(d) Any moneys received or recovered by or on behalf of the state pursuant to the provisions of this section, less any deductions allowable hereunder, shall be deposited in the state treasury and credited to the ~~state-general-fund~~ crime victims reparations fund.";

And by renumbering sections accordingly;

Also on page 1, in line 30, by striking "74-7317 is" and inserting "74-7312 and 74-7317 are";

In the title, in line 17, after "reparations" by inserting the following: "board; relating to authorized expenditures from the crime victims reparations fund; requiring certain moneys to be deposited to the credit of such"; in line 18, after "K.S.A." by inserting "74-7312 and"; also in line 18, by striking "section" and inserting in lieu thereof "sections";

And the bill be passed as amended.

\_\_\_\_\_  
Chairperson