

Approved 3-26-86
Date

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES

The meeting was called to order by Sen. Bill Morris at
Chairperson

9:00 a.m./~~p.m.~~ on March 21, 19⁸⁶ in room 254-E of the Capitol.

All members were present ~~except~~.

Sen. Doyen and Sen. Walker were excused.

Committee staff present:

Arden Ensley, Revisor of Statutes
Hank Avila, Legislative Research Department
Ben Barrett, Legislative Research Department
Louise Cunningham, Secretary

Conferees appearing before the committee:

Mary Turkington, Kansas Motor Carriers Association
Pat Wiechman, Kansas Dismantlers and Recyclers Association
Lt. Bill Jacobs, Kansas Highway Patrol
Terry Humphrey, Kansas Manufactured Housing Institute
Jim Sullins, Kansas Motor Car Dealers Association
Harley Duncan, Secretary, Department of Revenue

HEARING ON H.B. 2765 - Registration of wrecker or tow trucks.

Mary Turkington, Kansas Motor Carriers Association, said she was today representing members of their Towing and Recovery Division. This bill was designed for clarification of public policy which has been applied in this registration category over the years. A copy of her statement is attached along with a letter from the Department of Revenue dated September 11, 1985 stating that they are in accord that the gross weight registration on the wrecker vehicle would be equal to the weight of the vehicle and its load and not including the weight of the unit being towed. A copy is attached. (Att. 1).

Pat Wiechman, KADRA, said she concurred with the previous remarks and they support H.B. 2765.

Lt. Jacobs, said this was the way it is enforced anyhow and this was no change.

A motion was made by Sen. Francisco and was seconded by Sen. Norvell to recommend H.B. 2765 be passed. Motion carried.

HEARING ON H.B. 2842 - Mobile home dealer license fees.

Terry Humphrey said when S.B. 321 was passed in 1985 it was intended for the motor car dealer industry and not for the mobile home industry. She said the tags are only used to transport the homes from factory to dealer and from dealer to the consumer and the tag has a very limited use. She said since S.B. 321 was not intended for this industry they were asking for a return to a more reasonable fee. A copy of her statement is attached. (Att. 2).

Harley Duncan was asked what fee would be appropriate and he said he felt \$250 was not appropriate and he thought \$25 was a reasonable amount. He also said, in response to a question, that there would be a loss of approximately \$87,000 in revenue if this bill was passed.

There was some discussion about mobile home salesmen having tags on their cars which were dealer tags.

Jim Sullins said a dealer in vehicles can sell any type of vehicle and if he has a tag on his car it should be a \$250 tag. The \$25 tag for mobile homes would have a decal that is only for mobile homes. He said they support H.B. 2842.

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 SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES,
room 254-E, Statehouse, at 9:00 a.m./~~p.m.~~ on March 21, 19 86

A motion was made by Sen. Martin and was seconded by Sen. Vidricksen to recommend H.B. 2842 be passed. Motion carried. Sen. Francisco wished to be recorded as voting "No" because of the loss of revenue.

Meeting was adjourned at 9:25 a.m.

SENATE TRANSPORTATION AND UTILITIES COMMITTEE

Date 3-21-86 Place 254-E Time 9:00

GUEST LIST

NAME

ADDRESS

ORGANIZATION

| | | |
|-------------------|----------|-----------------------------|
| Bob W. Waldman | Topoka | K.A.D.R.A. |
| PAT BARNES | TOPEKA | Ks. Motor Car Dealers Assn. |
| Jim Sullins | TOPEKA | Ks. Motor Car Dealers Assn. |
| Terry Humphrey | " | KMHT |
| Tom Whitaker | Topoka | Ks Motor Carriers Assn. |
| Hal Danner | Topeka | KDOR |
| Harold B. Terrett | Topoka | " |
| Gary R. Brown | Topoka | KMCA |
| Gary G. Taylor | Lawrence | KMCA |
| BRUCE GRAHAM | Topoka | KMCA |
| MARY TURKINGTON | Topoka | Ks Motor Carriers Assn. |
| LT. BILL JACOBS | TOPEKA | KHP |

STATEMENT

By The

KANSAS MOTOR CARRIERS ASSOCIATION

In support of House Bill 2765 which clarifies statutory requirements for the registration of wreckers or tow trucks.

Presented to the Senate Transportation & Utilities Committee, Sen. Bill Morris, Chairman; Statehouse, Topeka, Friday, March 21, 1986.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Mary Turkington, Executive Director of the Kansas Motor Carriers Association and appear here today representing the members of our Association and specifically our Towing & Recovery Division. We support the provisions of House Bill 2765.

This legislative proposal is designed to clarify the statutory requirements for the registration of wreckers or tow trucks in this state.

When the Kansas Legislature wisely adopted the gross weight registration provisions which now govern the registration fees for motor truck equipment, the statutory definition for gross weight was placed in our law.

ATT. (1)
S. THU 3/21/86

That definition is incorporated in H.B. 2765 in paragraph (2) of Section 1 of this bill. The language provides:

. the term "gross weight" shall mean and include the empty weight of truck, or of combination of truck or truck tractor and any type trailer or semitrailer, plus the maximum weight of cargo which will be transported on or with the same, except that when the empty weight of a truck plus the maximum weight of cargo which will be transported thereon is 12,000 pounds or less.

The gross weight statutory definition applied to all vehicles with the exception of power units which propelled any travel trailer which is being used for private recreational purposes -- and to wrecker or tow truck equipment.

The exemption for travel trailers being used for recreational purposes was spelled out in the statute. The exemption from the gross weight definition for wrecker or tow truck equipment was based on a ruling from the legal staff of the former Motor Vehicle Department in a letter dated March 15, 1962.

It was obvious that tow trucks would transport widely-ranging cargoes. One customer might have a light-weight, small car -- and another customer might require towing or recovery services for a much larger vehicle. The tow truck operator hardly should be required to register for the maximum weight vehicle if he seldom or never transported such gross weight.

Public policy has acknowledged the legal ruling by the Motor Vehicle Department for these many years. The Department of Revenue, in a letter dated September 10, 1985, re-affirmed that policy for such wrecker or tow truck registrations. We have attached a copy of the Department's September 10, 1985 letter to this statement.

The language which is proposed in House Bill 2765 is designed to provide statutory recognition of the public policy which has applied in this registration category over the years.

We support House Bill 2765 as this legislation was passed by the House and ask you to recommend the bill for passage.

We will respond to any questions you may have. Thank you for your consideration of this important legislation.

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Kansas
DEPARTMENT OF REVENUE

State Office Building
TOPEKA, KANSAS 66620

September 10, 1985

SEP 11 1985

Colonel Bert Cantwell
Kansas Highway Patrol
122 SW 7th
Topeka, Kansas 66603

Dear Colonel Cantwell:

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A legal opinion dated March 15, 1962, was issued by the Kansas Department of Revenue to the Kansas Highway Patrol responding to the question of what gross weight registration should be required of a wrecker vehicle. That letter stated the position of the Department that the gross weight registration on the wrecker vehicle would be equal to the weight of the vehicle and its load and not including the weight of the unit being towed.

Advice has been requested by the Kansas Highway Patrol as to whether the Department's position continues in accord with this opinion dated March 15, 1962. It is my opinion that this opinion is a well considered one, and the Department's position remains in accord with the same.

If I may be of additional information, please let me know.

Sincerely,

William L. Edds
General Counsel

WLE:rab

cc: Harold Turntine
Mary Turkington



KANSAS MANUFACTURED HOUSING INSTITUTE
100 East Ninth Street • Suite 205 • Topeka, Kansas 66612 • (913) 357-5256

TESTIMONY BEFORE THE
SENATE COMMITTEE ON TRANSPORTATION

BY: Terry Humphrey, Executive Director

DATE: March 21, 1986

RE: In Support of House Bill 2842

Mr. Chairman and members of the Transportation Committee, I am Terry Humphrey, Executive Director of Kansas Manufactured Housing Institute; and I thank you for the opportunity to come before you in support of House Bill 2842.

KMHI is a trade association representing all facets of the manufactured housing industry. Today I am here to discuss an issue that effects mobile home manufacturers and retail dealers.

In the 1985 legislative session, Senate Bill 321 passed the legislature raising the dealer tag fee from \$10.00 per tag, to \$250.00 for the first tag and \$16.75 for additional tags. It is my understanding that the intent behind this fee increase was to curtail dealer tag abuses in the motor car dealer industry; and specifically to discourage an individual from registering as a dealer to avoid titling and taxation.

However, in the process of correcting a problem in one industry, the manufactured housing industry was penalized. Both mobile home manufacturers and mobile home retail sales centers are required to use a dealer tag. For example: a manufacturer uses a dealer tag to move a home from the factory to the sales center, and a sales center uses a dealer tag to transport the home to the consumer.

In the manufactured housing industry a dealer tag has a very limited use; and it can only be used on a mobile home, not a motorized vehicle. A large mobile home retailer buys approximately two dealer tags per year compared to a large motor car dealer who may buy as many as 100 tags per year. Therefore, the abuses that were being addressed with a fee increase in the motor car industry do not relate to our industry.

Since the 1986 dealer tag fee increase was not intended for the manufactured housing industry, the House Transportation Committee introduced HB 2842; lowering manufactured housing dealer tag to \$25.00 per tag. On February 26th, the House of Representatives passed the bill, 123 to 0.

In conclusion, I respectfully ask this committee to support House Bill 2842 and return this fee to a reasonable cost. Thank you.

ATT. (2)
S.T.H. 3/21/86