

MINUTES OF THE House COMMITTEE ON Transportation

The meeting was called to order by Rex Crowell at
Chairperson

1:30 ~~am~~/p.m. on March 18, 1987 in room 519-S of the Capitol.

All members were present except: Representatives Adam, Harper, and Russell

Committee staff present:

Bruce Kinzie, Revisor of Statutes
Hank Avila, Legislative Research
Donna Mulligan, Committee Secretary

Conferees appearing before the committee:

Mr. Dan Grohn, City of Wichita
Ms. Marla Howard, City of Wichita
Sgt. Bob Giffin, Kansas Highway Patrol
Mr. Ron Desch, Kansas Motor Carrier Inspection Bureau

The meeting was called to order by Chairman Crowell and the first order of business was a hearing on SB-170 concerning the liquefied petroleum motor fuel tax.

Mr. Dan Grohn, City of Wichita, spoke in support of SB-170. (See Attachment 1) Mr. Grohn expressed support of the provisions in SB-170 to exempt municipally owned vehicles used in law enforcement from the State LP Motor Fuel Tax Law.

Mr. Grohn said that in 1981, the City of Wichita began converting a number of its vehicles to liquefied petroleum fuel because it was considered cleaner and less expensive than gasoline. He added that more than 1,000 cars and trucks have been converted at a cost of \$1.15 million.

Ms. Marla Howard, City of Wichita, testified favorably concerning SB-170.

The hearing on SB-170 was concluded.

The next order of business was a hearing on SB-193 requiring bonds for certain violators of traffic infractions.

Chairman Crowell conveyed a message of support of SB-193 from Senator Fred Kerr, sponsor of the bill.

Sgt. Bob Giffin, Kansas Highway Patrol, testified in support of SB-193. (See Attachment 2) Sgt. Giffin said when traffic citations are written to operators of vehicles residing in states that are not members of the non-resident violator compact, violators sometimes flagrantly ignore the notice to appear, knowing there is no recourse for the Kansas authorities in the matter.

Sgt. Giffin said SB-193 would effectively address the problem by furnishing the officer the option to require a cash bond from these violators which would conform to the provisions of the uniform fine schedule adopted by the legislature, when the violator is a resident of a non-member state.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Transportation,
room 519-S, Statehouse, at 1:30 ~~am~~/p.m. on March 18, 1987

Mr. Ron Desch, Kansas Motor Carrier Inspection Bureau, testified in favor of SB-193.

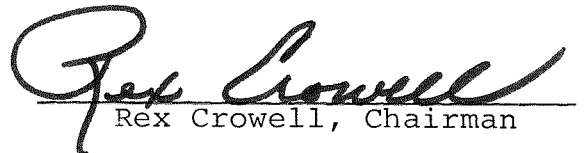
The hearing on SB-193 was ended.

The next order of business was a hearing on SB-297 concerning advance payment of liquefied petroleum fuel tax.

Secretary Harley T. Duncan, Kansas Department of Revenue, testified in support of SB-297. (See Attachment 3) Secretary Duncan said that under current law, the advance tax rates payments are based upon graduated vehicle weight categories and miles driven, at 5,000 mile increments, to the final category of 20,000 miles and over. Secretary Duncan said there are vehicles traveling well in excess of 20,000 miles annually.

The hearing on SB-297 ended.

The meeting was adjourned at 2:05 p.m.


Rex Crowell, Chairman

THE CITY OF WICHITA



DEPARTMENT OF
OPERATIONS AND MAINTENANCE

OFFICE OF THE DIRECTOR
CITY HALL — EIGHTH FLOOR
455 NORTH MAIN STREET
WICHITA, KANSAS 67202-1685
(316) 268-4497

March 18, 1987

TO: Chairman Crowell and Members of the House Transportation Committee

FROM: Dan Grohn, Fleet Maintenance Director
CITY OF WICHITA

RE: S.B. No. 170 LP MOTOR FUEL TAX EXEMPTION FOR LAW
ENFORCEMENT VEHICLES

Chairman Crowell and Members of the Committee:

The City of Wichita wishes to express its support of the provisions in Senate Bill No. 170 to exempt municipally owned vehicles used in law enforcement from the State LP Motor Fuel Tax Law.

In 1981, the City of Wichita began converting a number of its vehicles to liquefied petroleum fuel because it was considered cleaner and less expensive than gasoline. The City has converted more than 1,000 cars and trucks, at a cost of \$1.15 million. This amount includes an average cost of \$700 per vehicle and \$284,000 for the purchase and installation of the necessary fuel tanks and dispenser system at our maintenance facilities.

Until 1983, subdivisions of the State were specifically exempt from taxation under the Liquefied Petroleum Motor Fuel Tax Law. We must now annually monitor, keep additional records, affix tags, and submit a detailed listing to the State on nearly 300 LP fueled vehicles.

In 1986, the City of Wichita paid just over \$25,000 in LP fuel tax. In addition, many hours were spent each year updating records, processing tax payments, and affixing the "Tax Paid" tags on each vehicle. Since we fuel our own vehicles, these tags do not serve their intended purpose of notifying an LP vendor not to charge the tax on a sale of propane for that vehicle.

To our knowledge, Salina is the only other city affected by the LP Tax Law. That city has some LP fueled trucks and pays approximately \$6,000 each year in LP tax.

Attach. 1

Re: S.B. No. 170 LP Motor Fuel Tax Exemption for Law Enforcement Vehicles

Since propane tax revenues are eventually distributed back to cities and counties, we believe it would be most cost effective for everyone to exempt local governments once again from this tax. Although it is the City's preference that municipalities be totally exempt from the LP Motor Fuel Tax Law, exemption of our law enforcement vehicles will certainly reduce the amount of tax we pay as well as the administrative time and cost for the entire process. We currently have 110 LP fueled police vehicles that consume approximately 90 percent of our annual propane supply.

The City of Wichita requests your consideration and urges your support of Senate Bill No. 170. Thank you.

SUMMARY OF TESTIMONY

Before the House Transportation Committee

March 18, 1987

Presented by the Kansas Highway Patrol

(Sergeant Bob Giffin)

Appeared in Support of Senate Bill 193

Since the adoption of the infractions classification for certain traffic offenses, the Patrol has totally complied with the statutes by simply issuing a notice to appear to those drivers committing an infraction and releasing them to continue their travels.

This concept works exceedingly well when the violator resides in a state which is a member of the non-resident violator compact (NRVC). In this instance, where there is no appearance or other arrangements made to answer the charge, the violator's home state is notified and the driving privileges of the violator are suspended until a disposition is effected with the court. This application has proven quite effective.

The reverse is true when the operators of vehicles, both passenger and commercial, reside in states that are not members of the compact. Many of these violators flagrantly ignore the notice to appear, knowing that there is no recourse for the Kansas authorities in the matter. We have documented instances where a violator has informed the trooper he or she is wasting both their own and the violator's time by writing the notice to appear. Additionally, the courts can only summarily dismiss the notices to appear after the appearance date has passed.

SB 193 would effectively address the problem by furnishing the officer the option to require a cash bond from these violators which would conform to the provisions of the uniform fine schedule adopted by the legislature, when the violator is a resident of a non-member state.

This legislation would greatly enhance our enforcement efforts and provide an equitable application to all violators regardless of their residence. For these reasons we recommend favorable consideration of SB 193.

A list of member states in the NRVC is appended for your review.

Attach. 2

NON-RESIDENT VIOLATOR COMPACT

MEMBER STATES

Alabama	Nebraska
Arkansas	New Hampshire
Colorado	New Jersey
Connecticut	New Mexico
Delaware	New York
Dist. of Columbia	North Carolina
Florida	North Dakota
Georgia	Ohio
Illinois	Oklahoma (7-1-87)
Indiana	Pennsylvania
Iowa	Rhode Island
Kansas	South Carolina
Kentucky	South Dakota
Louisiana	Tennessee
Maine	Texas
Maryland	Utah
Minnesota	Vermont
Mississippi	Virginia
Missouri	West Virginia

Rev. 6-1-86

MEMORANDUM

TO: Gary L. Stotts, Acting Director DATE: February 27, 1987
 Division of the Budget

FROM: Kansas Department of Revenue RE: Senate Bill 297
 as Introduced

BRIEF OF BILL:

Senate Bill 297 as Introduced amends the LP-Gas tax-prepayment table by expanding the highest category from 20,000 miles and over to 60,000 miles and over:

	Current	Proposed				
	20,000	20,000-	30,000-	40,000-	50,000-	60,000-
	and +	29,999	39,999	49,999	59,999	and +
Class A	\$100	\$120	\$160	\$200	\$240	\$280
Class B	170	204	272	340	408	476
Class C	205	246	328	410	492	574
Class D	280	336	448	560	672	784
Class E	360	432	576	720	864	1,008
Class F	500	600	800	1,000	1,200	1,400
Class G	620	744	992	1,240	1,488	1,736
Class H	835	1,002	1,336	1,670	2,004	2,388
Remaining as current are:						
Class I						786
Class J						\$408

This bill amends K.S.A. 79-3492b. It takes effect January 1, 1988.

FISCAL IMPACT:

Holding growth at a flat rate, and equating calendar year and fiscal year, passage of this bill is estimated to increase State highway funds revenues by about \$20,000 for Fiscal Year 1988.

ADMINISTRATIVE COST:

It is estimated that any costs incurred with passage of this bill could be absorbed by the Department.

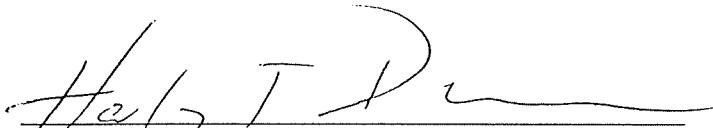
ADMINISTRATIVE COMMENTS:

Under current law, the tax rates are based upon graduated vehicle weight categories and miles driven, at 5,000-mile increments, to the final category of 20,000 miles and over. Thus, vehicles of the same weight travelling 20,000 miles and over are subject to the same tax rate, regardless of the number of miles travelled.

Under current statute, Class A vehicles travelling 25,000 miles are taxed at a rate equivalent to 25 miles per gallon (\$100 tax/ \$.10 per gallon = 1,000 gallons at 25,000 miles). Class A vehicles travelling 55,000 miles are taxed at a rate equivalent to 55 miles per gallon (\$100/.10=100,000 gallons at 55,000 miles).

Fairness in taxation would suggest that vehicles travelling 100,000 miles per year be subject to a tax rate equal to vehicles travelling 20,000 miles a year.

APPROVED BY:



Harley T. Duncan
Secretary of Revenue

HTD/mwc

Kansas Department of Revenue

1987 Senate Bill 297
Motor Fuel: LP-Gas

CY 1986 Vehicles

Weight	Current						Current 20,000 & Over: Spread to Proposed					
	Less than 5,000 Miles	5,000-10,000 Miles	10,001-15,000 Miles	15,001-19,999 Miles	20,000 and over Miles	Total	20,000-29,999 Miles	30,000-39,999 Miles	Proposed 40,000-49,999 Miles	50,000-59,999 Miles	60,000- and over Miles	Total
Class A	67	82	63	32	34	278	20	13	1	0	0	34
Class I	30	89	35	26	45	225	18	17	8	1	1	45
Class C	57	107	83	48	58	353	41	8	6	1	2	58
Class D	23	40	10	5	4	82	2	0	2	0	0	4
Class E	38	29	18	6	43	134	25	12	3	2	1	43
Class F	6	13	6	5	3	33	2	0	0	1	0	3
Class G												
Class H						0						
Class I						0						
Class J						0						
Total	221	360	215	122	187	1105	108	50	20	5	4	187

Weight	Current					Proposed				
	Less than 5,000 Miles	5,000-10,000 Miles	10,001-15,000 Miles	15,001-19,999 Miles	20,000 and over Miles	20,000-29,999 Miles	30,000-39,999 Miles	40,000-49,999 Miles	50,000-59,999 Miles	60,000- and over Miles
Class A	\$20	\$40	\$60	\$80	\$100	\$120	\$160	\$200	\$240	\$280
Class B	\$34	\$68	\$102	\$136	\$170	\$204	\$272	\$340	\$408	\$476
Class C	\$41	\$82	\$123	\$164	\$205	\$246	\$328	\$410	\$492	\$574
Class D	\$56	\$112	\$168	\$224	\$280	\$336	\$448	\$560	\$672	\$784
Class E	\$72	\$144	\$216	\$288	\$360	\$432	\$576	\$720	\$864	\$1,008
Class F	\$100	\$200	\$300	\$400	\$500	\$600	\$800	\$1,000	\$1,200	\$1,400
Class G	\$124	\$248	\$372	\$496	\$620	\$744	\$992	\$1,240	\$1,488	\$1,736
Class H	\$167	\$334	\$501	\$668	\$835	\$1,002	\$1,336	\$1,670	\$2,004	\$2,388
Class I					\$786					\$786
Class J					\$408					\$408

Kansas Department of Revenue

Tax	Current						Proposed					
	Less than 5,000 Miles	5,000-10,000 Miles	10,001-15,000 Miles	15,001-19,999 Miles	20,000 and over Miles	Total	20,000-29,999 Miles	30,000-39,999 Miles	40,000-49,999 Miles	50,000-59,999 Miles	60,000- and over Miles	Total
Class A	\$1,340	\$3,280	\$3,780	\$2,560	\$3,400	\$14,360	\$2,400	\$2,080	\$200	\$0	\$0	\$4,680
Class B	\$1,020	\$6,052	\$3,570	\$3,536	\$7,650	\$21,828	\$3,672	\$4,624	\$2,720	\$408	\$476	\$11,900
Class C	\$2,337	\$8,774	\$10,209	\$7,872	\$11,890	\$41,082	\$10,086	\$2,624	\$2,460	\$492	\$1,148	\$16,810
Class D	\$1,288	\$4,480	\$1,680	\$1,120	\$1,120	\$9,688	\$672	\$0	\$1,120	\$0	\$0	\$1,792
Class E	\$2,736	\$4,176	\$3,888	\$1,728	\$15,480	\$28,008	\$10,800	\$6,912	\$2,160	\$1,728	\$1,008	\$22,608
Class F	\$600	\$2,600	\$1,800	\$2,000	\$1,500	\$8,500	\$1,200	\$0	\$0	\$1,200	\$0	\$2,400
Class G	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Class H	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Class I	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Class J	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	\$9,321	\$29,362	\$24,927	\$18,816	\$41,040	\$123,466	\$28,830	\$16,240	\$8,660	\$3,828	\$2,632	\$60,190

CY 1986 at Current \$123,466
 CY 1986 at Proposed \$142,616

 Increase \$19,150