Approved 2-3-87
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 January 29, 1987 in room 254-E of the Capitol.

All members were present except:
Sen. Doyen

Committee staff present:
Hank Avila, Legislative Research Department
Ben Barrett, Legislative Research Department
Robin Hunn, Legislative Research Department
Bruce Kinzie, Revisor
Louise Cunningham, Committee Secretary

Conferees appearing before the committee:
Deb Miller, Director of Planning & Development, KDOT
Arland Hicks, Senior Engineering Advisor, KDOT
Mary Turkington, Kansas Motor Carriers Association

The Chairman said the policy of the committee in the future would be to have no excused absences.

Deb Miller, KDOT, introduced Dr. Hicks to the committee and said he would make the presentation on the Cost Allocation 1985 Study by KDOT.

Dr. Hicks used charts for his presentation which clarified the facts and figures which he presented. He said the Study was intended to review highway costs and compare them with highway revenues.

There is a tax equity question and it is hard to decide if everyone pays their share. The charts showed: 1) how much should they pay, 2) how much do they pay, and 3) how do they compare.

In 1978 Congress stated that a cost allocation be done. This was completed in 1982 and 19 states have completed their studies with 2 in progress. Kansas has now completed its Study. The Study was the basis for allocating highway expenditures to the various vehicle groups for the four-year study program, FY1985-1988.

Dr. Hicks explained highway expenditures which include construction, maintenance, administration, engineering, vehicle weight and enforcement, and vehicle registration. He explained ESAL which is equivalent single axle load and the measurement they apply to cars, vans and pick-ups, trucks, combination trucks and others, which would include buses and motorcycles. The ESAL rating ranges from 0.0002 for a car up to 4.0 for the big combination trucks.

He said some costs are common costs, which are shared by all vehicles equally on the basis of use. Others are attributable costs which are judged by weight, width and axle spacing. This is a very important factor for bridges. The other cost is overhead cost which is shared by all vehicles on a basis other than use or vehicle characteristics.

Dr. Hicks had a chart showing the share they were paying. They were: cars - 39%, vans and pick-ups - 19%, trucks - 10%, combination units - 31%, and other - 1%.

A ratio below 1.00 indicates that a vehicle class is underpaying. A ratio above 1.00 indicates that a vehicle class is overpaying. The ratios for passenger vehicles and trucks are 1.12 and 0.82 respectively. Passenger vehicles are overpaying by 12% and trucks are underpaying by 18%. However, there are inequities within passenger cars and trucks. The small autos are subsidized by large autos and pickups and vans. The light truck class (2 axle and 6 tires) overpay by 6% but the lighter trucks subsidize the heavier trucks. The heavy single unit 3 axle truck class underpay by 33%. The truck tractor twin trailer registered above 75,000 pounds underpays by 55% whereas a 5 axle truck tractor single trailer also registered above 75,000 pounds underpays by 11%. The following general conclusions summarize the study:

1. Passenger vehicles subsidize trucks.
2. Pickups, vans and standard autos subsidize small autos.
3. Light single unit trucks (2 axles with 6 tires) subsidize heavier trucks.
4. Heavy single unit trucks (3 axles) underpay by 33%.
5. Heavy combination 5 axle truck-single trailers subsidize 5 axle truck twin trailers.

Groups including the railroads, trucking industry, motor carriers' associations and AAA were informed of the Study. They were not all reconciled to the results.

Dr. Hicks said most of the sales tax transfers were paid by cars. The common carrier trucks are exempt because they are classified as public utilities.

Mary Turkington said the railroads were first granted exemption and since the carriers compete with them and involve interstate vehicles they were granted the same exemption.

Dr. Hicks said a differential of 10% in the equity figures would be a good tax structure. He also said there were other factors involved which should be a contributing factor, such as the contribution to society.

He was asked how we compare with the other states that have already completed their Study and could this committee get results of their studies? Dr. Hicks said this would be available to the committee.

A motion was made by Sen. Francisco and was seconded by Sen. Hayden to approve the Minutes of January 27, 1987. Motion carried.

Meeting was adjourned at 10:00 a.m.