

Approved 3/5/87 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 March 3, 1987 in room 254-E of the Capitol.

All members were present except:
Sen. Frey

Committee staff present:

Hank Avila, Legislative Research Department
Ben Barrett, Legislative Research Department
Bruce Kinzie, Revisor
Louise Cunningham, Committee Secretary

Conferees appearing before the committee:

Leroy Jones, Brotherhood of Locomotive Engineers
Ron Calbert, United Transportation Union
Harley Duncan, Secretary, Department of Revenue
John Smith, Department of Revenue
Jim Keller, Department of Revenue
Amy Button Renz, Director of Membership for the Kansas State University
Alumni Association
Ms. B.J. Pattee, KU Alumni Association

CONTINUED HEARING ON S.R. 1825 - A Resolution opposing the merger of the
Union Pacific Railroad and the MKT Railroad.

Leroy Jones, Brotherhood of Locomotive Engineers, spoke in favor of S.R. 1825. He said there were no positive aspects of this merger for the citizens of Kansas. He said that mergers only help the stockholders and corporate officers. This will only eliminate competition in the area. A copy of his statement is attached. (Att. 1). He said the protection that is promised to the employees does not always turn out to be what it was supposed to be.

There was some discussion about the New York Dock Agreement and views about the standpoint from the individual employee.

Ron Calbert, United Transportation Union, said railroad representatives would "sugar coat" the issue but it will have a very adverse effect on the City of Parsons and most of the corporate mergers that are now taking place are bad for the country. A copy of his statement is attached. (Att. 2).

HEARING AND ACTION ON S.B. 297 - Liquefied Petroleum fuel tax law; advance payment of tax.

Secretary Harley Duncan said the present tax rates only go up to a final category of 20,000 miles and over. There are 187 vehicles out of 1100 that are driven over 20,000 miles, 80 travel 30,000 miles and 4 travel over 60,000 miles. The present tables need to be expanded to 60,000 miles and over. This would increase state revenues by approximately \$20,000 per year. It is only fair that they should all be subject to the same tax rates. A copy of Secretary Duncan's Memo to Gary L. Stotts, Division of Budget dated February 27, 1987 pertaining to S.B. 297 is attached. (Att. 3).

A motion was made by Sen. Doyen and was seconded by Sen. Hayden to recommend S.B. 297 favorably for passage. Motion carried.

HEARING ON S.B. 306 - Concerning the suspension or revocation of drivers' licenses.

John Smith, Department of Revenue, said they would not issue a license that had been suspended or revoked in another state. This Committee had

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES,

room 254-E Statehouse, at 9:00 a.m./~~p.m.~~ on March 3, 1987

added "shall review the circumstances" and this would cause a gray area. The concern had been that some judge in another state could take a person's drivers' license away for life and there should be some way of reviewing the case. Judges in another state may be arbitrary and capricious and our state should have some kind of review board.

Jim Keller, Department of Revenue, said the state would have difficulty in looking to see how another state arrived at their decision and would not know if they did it properly. They would not know all the circumstances as to how they arrived at their decision and they would not be able to subpoena people and would have no witnesses. A Kansas jury would sit in judgement of action that had taken place in another state. We would only have one person's version of what had happened. These people can always appeal in the other state. A copy of a Memo to Secretary Duncan from Mark Burghart dated March 2, 1987 is attached. (Att. 4).

HEARING ON S.B. 312 - Issuance of license plates for special organizations or groups.

Amy Button Renz, Director of Membership for the Kansas State University Alumni Association, said the seven regents institutions support this bill and the plates would demonstrate loyalty to their alma mater and to the State of Kansas. It would also show support for higher education. A copy of her statement is attached. (Att. 5).

Ms. B. J. Pattee, KU Alumni Association, said they support this bill and it would provide them with an attractive and effective means of promoting new memberships and provide additional revenue for the state of Kansas. A copy of her statement is attached. (Att. 6).

On a motion from Sen. Hayden and a second from Sen. Hoferer the Minutes of March 2, 1987 were approved. Motion carried.

DISCUSSION AND ACTION ON H.B. 2270 - Relating to radio common carrier regulatory jurisdiction suspension extended.

The Chairman said this bill had been placed on the Consent Calendar in the House and had passed with no opposition. He had talked to Mr. Phil Woodbury who was involved in this bill two years ago and this bill would merely extend the date from December 31, 1987 to July 1, 1988. Mr. Woodbury had no objection to this bill as it would enable the 1988 Legislature to make an evaluation concerning the deregulating of common carriers. If the date were not changed radio common carriers would be subject to renewed regulation before such an evaluation could occur. Mr. Woodbury was still opposed to the idea but he was not opposed to the extension of time.

A motion was made by Sen. Doyen and was seconded by Sen. Francisco to recommend H.B. 2270 favorably for passage and asked that it be placed on the Consent Calendar. Motion carried.

Meeting was adjourned at 10:00 a.m.

SENATE TRANSPORTATION AND UTILITIES COMMITTEE

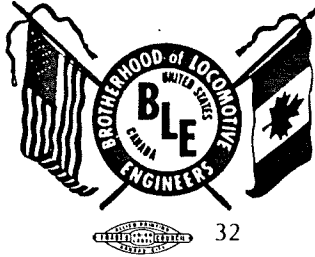
Date _____ Place _____ Time _____

GUEST LIST

| NAME | ADDRESS | ORGANIZATION |
|------------------|-------------------------------------|----------------------------------|
| "Bj" Patton | 1266 Cross Lawrence, Ks. 66044 | Univ. of Kansas Alumni Assoc. |
| Amy Button Kenny | 1408 Demison Manhattan, Ks 66502 | Kansas State Univ. Alumni Assoc. |
| Leroy Jones | Overland Park | B.L.E. |
| Mark Bilusti | Emporia | Sen. Burke |
| Lee Eisenhower | Topeka | Kansas L.P. Gas Assn. |
| RON CALBERT | NEWTON | U.T.U |
| John Scheirman | Topeka | KDOT |
| Ken Johnson | Topeka | |
| Art Habbeil | Topeka | Kansas Railroad Assn |
| Windy Schiappa | Manhattan | Chamber of Commerce |
| TERRY STEVENS | TOPEKA, Ks. | TOPEKA POLICE DEPT. |
| James D. Keller | Topeka, Ks. | Kansas Department of Revenue |
| John W. Smith | Topeka Kan | Dept of Revenue |

Brotherhood of Locomotive Engineers

Kansas State Legislative Board



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1st Vice Chairman
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(316) 653-7524

LEO M. SRUBAS
Secretary-Treasurer
5005 Georgia
Kansas City, Kansas 66104
(913) 287-8280

STATEMENT OF THE BROTHERHOOD OF LOCOMOTIVE ENGINEERS

PRESENTED TO THE SENATE COMMITTEE
ON TRANSPORTATION AND UTILITIES

THE HONORABLE BILL MORRIS, CHAIRMAN

STATEHOUSE
TOPEKA, KANSAS
March 2, 1987

Mr. Chairman and Members of the Committee, I am Leroy Jones, Chairman of the Kansas Legislative Board for the Brotherhood of Locomotive Engineers. I am here today to testify in favor of Senate Resolution 1825.

I would like to thank Senator Johnston for introducing this resolution which openly expresses the negative aspects of the proposed merger of the Union Pacific Railroad and the MKT Railroad. I would also like to thank Representative Brady and Representative Lacey for introducing House Resolution 6028 on the House side.

I can see no positive aspects of this merger for the citizens of Kansas. In Kansas we are trying to do everything possible to create jobs and attract new businesses. If allowed, this merger will do just the opposite. In the city of Parsons alone there

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will be a loss of approximately 350 high paying jobs. The loss of close to \$10 million in payroll and the increase of 2% unemployment in Labette County is not what we are trying to achieve in Kansas.

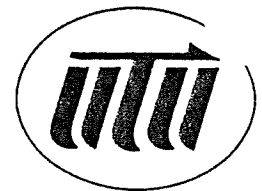
Mergers usually are not meant to help anyone except the stockholders and the corporate officers. In this instance, the Union Pacific will eliminate a competitor in this region, which will eventually prove to make profits for the corporation.

You will probably hear from the Union Pacific of all the shippers on the Katy route that supports this merger. They support it because the Union Pacific has told them of better shipping rates, if the railroads are allowed to merge. This reminds me about the testimony during the "caboose bill" hearings a couple of years ago in the Kansas House Transportation Committee. All the farm organizations testified before that committee that they were told by the railroads that if the cabooses were taken off the end of the trains, they would have cheaper shipping rates for their grain, thus making farmers more profits. Members of the committee, I have yet to see the farmers getting their promise.

In the best interest of our state, I urge that you pass Senate Resolution 1825. Thank you for allowing me this opportunity to testify before your committee.

R. E. (RON) CALBERT
DIRECTOR CHAIRMAN

united
transportation
union



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NEWTON, KANSAS 67114-0726
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KANSAS STATE LEGISLATIVE BOARD

STATEMENT RE: SENATE RESOLUTION 1825
PRESENTED TO THE SENATE TRANSPORTATION AND
UTILITIES COMMITTEE

STATEHOUSE

TOPEKA, KANSAS

MARCH 2, 1987

Mr. Chairman and members of the Committee, I am Ron Calbert, Director/Chairman, Kansas State Legislative Board, United Transportation Union.

I appear today in support of SCR 1825 which speaks to the adverse effect the Union Pacific-Missouri-Kansas-Texas merger will have on the City of Parsons, Kansas. I also support the comments and statements of Senator Mike Johnston and Rep. Bill Brady.

Mr. Chairman and Committee members, no matter how "sugar coated" the Railroad Representative will make the merger sound today, it will have a very adverse effect on the City of Parsons, KS. We are not here today debating whether the merger is good for Kansas or not, but here today supporting the fact of the loss of jobs to the City of Parsons as stated in SCR 1825. SCR 1825 is a good Resolution and should be adopted by the Kansas Senate.

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SCR 1825
Ron Calbert

As Director of the Kansas State Legislative Board of the United Transportation Union, I'm advised of all proceedings to this merger and other railroad mergers that have occurred in Kansas. The Union Pacific-Missouri-Kansas-Texas merger hasn't the support of:

Kansas Corporation Commission
Kansas Department of Transportation
Burlington Northern Railroad
Austin Northwestern Railroad
Soo Line Railroad
City of Parsons
City of Irving, Texas

Some of the argument is that the ICC should pursue with the final decision of the Sante Fe-Southern Pacific merger before considering a merger between the UP-MKT.

Mr. Chairman and committee members, I'm fearful of the support the UP-MKT merger has from the shippers group. There may be a reduction in shipping charges from A to B, but I believe in the long run it won't benefit the shippers in Kansas as a whole.

"Big" is in, not only with the railroad industry mergers but with all the corporate mergers that are taking place. We will live to experience the adverse effect this will have on our country.

I ask the committee to pass SCR 1825 back to the full Senate with a favorable recommendation.

Thank you, Mr. Chairman, for furnishing me the opportunity to appear before your committee and express the concerns of the Kansans I represent.

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- | |
| | <u>and +</u> | <u>29,999</u> | <u>39,999</u> | <u>49,999</u> | <u>59,999</u> | <u>and +</u> | |
| 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:

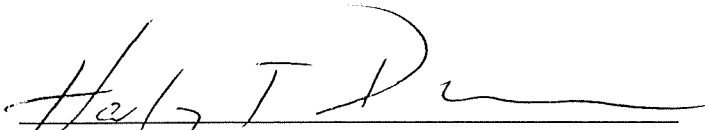
Under current law, the tax rates are based upon graduated vehicle weight categories and miles driven, at 5,000-mile increments, to the final category of 20,000 miles and over. Thus, vehicles of the same weight travelling 20,000 miles and over are subject to the same tax rate, regardless of the number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

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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:

A handwritten signature in black ink, appearing to read "Harley T. Duncan", written over a horizontal line.

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 | | | | | Total | Current 20,000 & Over: Spread to Proposed | | | | | Total |
|--------------|-----------------------|--------------------|---------------------|---------------------|-----------------------|-------------|---|---------------------|------------------------------|---------------------|------------------------|------------|
| | 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 | Proposed 40,000-49,999 Miles | 50,000-59,999 Miles | 60,000- and over Miles | |
| Class A | 67 | 82 | 63 | 32 | 34 | 278 | 20 | 13 | 1 | 0 | 0 | 34 |
| Class F | 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 | Proposed 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 |

M E M O R A N D U M

To: Harley T. Duncan
Secretary of Revenue

Date: March 2, 1987

From: Mark Burghart
Acting General Counsel

Re: Senate Bill No. 306
Legal Ramification

Senate Bill No. 306 amends K.S.A. 8-237 and K.S.A. 8-256. This bill could cause considerable impact by providing that the division of vehicles "shall review the circumstances" of a suspension or revocation in another state in determining whether the application for a Kansas driver's license of a person who is currently suspended or revoked in another state should be denied.

Under present law the only issues regarding a denial of a driver's license application under K.S.A. 8-237(a) is whether the person currently has a suspended or revoked driver's license. Although persons so denied a license can appeal to the district court under K.S.A. 8-259, the only issue is whether the person's driving privileges were currently suspended or revoked by another state at the time of application.

Under Senate Bill No. 306 the division gains discretion over the determination of whether a current suspension or revocation in another state gives cause for denial. Since the division must consider "the circumstances" of another state's suspension or revocation, the circumstances surrounding the other state's action is put into issue. Apparently, the applicant could offer evidence regarding the offenses leading to the suspension or revocation. There would likely be difficulty in obtaining evidence to support the other state's position. The same difficulty would be presented in the de novo appeal in district court allowed under 8-259.

In addition, the review of the circumstances of another state's suspension or revocation to determine whether Kansas should allow or deny a license application is contrary to the Driver's License Compact, K.S.A. 8-1212, Article V, subparagraphs (1) and (2), which requires that a party state not issue a license to applicants who are currently suspended or revoked in another state which is a party to the compact.

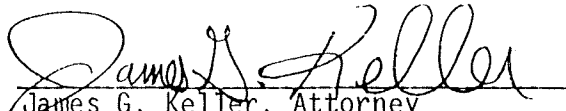
For the above reasons, the Department of Revenue should oppose the language proposed to be added in subparagraph (c) of K.S.A. 8-237 after the word "revoked" in line 0079.

The wording change in K.S.A. 8-237(c) deleting "as provided in K.S.A. 8-256 and amendments thereto" is not objectionable. K.S.A. 8-237(c) concerns a denial of a new license. K.S.A. 8-256 concerns suspension or revocations by the division, not denials of new licenses resulting from suspension or

Harley T. Duncan
March 2, 1987
Page 2

revocations by other states. K.S.A. 8-237(c) need not have a reference to K.S.A. 8-256 which deals with a different type of action.

LEGAL SERVICES

BY: 
James G. Keller, Attorney

APPROVED

Mark A. Burghart
Acting General Counsel

MAB:JGK:pjf

Mr. Chairman and Members of the Committee. I am Amy Button Renz, Director of Membership for the Kansas State University Alumni Association. Thank you for the opportunity to testify before the Senate Transportation and Utilities Committee. The alumni association's of the seven regents institutions would like to show our joint support for Senate Bill 312.

A special license plate program for members of these alumni association's has endless possibilities in showing support for the institutions and the State of Kansas. The seven regents institutions could have up to 40,000 individuals driving cars with special license plates that demonstrate loyalty to their alma mater and to the State of Kansas. This number will grow as more individuals will want to participate.

These license plates will also show the state's strong support of Higher Education. Cars displaying the university license plates will attest to this support everywhere they are driven - in Kansas and around the United States.

The Penn State Alumni Association has been the frontrunner in this type of program. More than 9,000 alumni and friends display a Penn State Alumni Association license plate on their cars. The State of Maryland has implimented a similar program and now, Penn State alumni who live in Maryland can also show their loyalty. I have samples from the Penn State Alumni Association to share with you which outline their program.

- a copy of the application that was mailed to the members within the state.
- a copy of the advertisement in the Penn State alumni magazine.
- a copy of the advertisement announcing the joint agreement with the State of Maryland.

The State of Virginia offers this program to their institutions of higher education and the State of New York is in the process of implementing a similar program. In these states it is only one institution taking advantage of this program but in Kansas all seven Regents schools would be promoting this license plate. Also, it would allow the seven Regents institutions to service their alumni by providing them a outlet to display their loyalty to the institution. What better way to show a sense of school pride and loyalty, as well as a cohesiveness between the state and higher education.

I strongly urge you to consider passing Senate Bill 312. I know we could successfully market this program.

March 3, 1987

Mr. Chairman, and Members of the Committee on Transportation and Utilities:

I am B.J. Pattee, Director of Special Projects and Member Assistance for the University of Kansas Alumni Association. It is my pleasure to speak to you on behalf of the Alumni Directors of several major educational institutions in our state: Kansas State, Wichita State, Emporia, Pittsburg, Hays, Washburn, Kansas Technical Institute, and the University of Kansas.

Our collective concern is the passage of Senate Bill #312, which proposes the issuance of license plates for special organizations or groups. All of the before-mentioned Alumni Associations qualify as "non profit" and provide a "community service." Our interest in promoting special license plates for our alumni is threefold:

- a)- The availability of special license plates would provide us with an attractive and effective means of promoting new memberships;
- b)- The sale of special plates at a charge of \$40 (over and above the cost of a standard license plate) would provide substantial additional revenue for the state of Kansas;
- c)- The issuance of special plates would provide a unique way for alumni to demonstrate their interest in and support of their alma maters and to higher education in general.

Collectively, we represent more than 200,000 citizens of Kansas who are alumni of our institutions of higher learning. Of these 200,000 alumni, approximately 50,000 are currently paid members of their respective Alumni Associations and would be eligible to purchase special license plates under the guidelines described in the bill now before this Committee.

Assuming that each of the 50,000 alumni members would purchase one license plate each, at the prescribed cost of \$40, the revenue produced would be \$2 million. I hasten to assure you that will not happen! Realistically, 20 percent of the 50,000 members (or 10,000 individuals) could purchase one license plate at \$40, producing revenue of \$400,000.

If only 10 percent of the 50,000 (or 5,000 individuals) purchased a plate at \$40 each, the state would realize \$200,000. We feel confident that this is a realistic expectation for any of our larger alumni associations. If the most modest scenario were to be realized and only 1 percent (or 500 individuals) purchased a special plate at \$40 each, the state would still realize \$20,000.

All that we, as Alumni Associations, ask is your approval of this innovative way to involve alumni as dues-paying members and public proclaimers of their support of their universities. Of even greater significance would be the collective endorsement of higher education in our state.

In closing, I would like to point out, as fact, that alumni who support their schools through alumni membership are most often the alumni who provide the private dollars that are so vitally needed to assure our expected high quality of education in Kansas.

I sincerely appreciate your time and attention, and again ask your endorsement of Senate Bill #312. Thank you.

"B.J." Pattee
Representing the University of
Kansas Alumni Association

ATT. 6
3/3/87