

Approved 3/27/87
Date

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES

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

9:07 a.m. ~~xxx~~ on March 25, 1987 in room 254-E of the Capitol.

All members were present ~~except~~.

Committee staff present:

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

Conferees appearing before the committee:

Sgt. Bob Giffin, Kansas Highway Patrol
Ed DeSoignie, Kansas Department of Transportation
Mary Turkington, Kansas Motor Carriers Association
Mike Santos, Assistant City Attorney, Overland Park
Harley Duncan, Secretary, Department of Revenue
Jerry McCoy, Sedgwick County Treasurer
Betty McBride, Cherokee County Treasurer
Nancy Weeks, Haskell County Treasurer

Hearing on S.B. 395 - Concerning speed limits.

Sgt. Bob Giffin appeared in opposition to S.B. 395 because of the concerns they had in regard for safety on the highways. He spoke of the increase in fatalities that could be expected if the speed limit were raised to 65 mph. He presented statistics from the National Safety Council and said the 55 mph speed limit is the nations' best single device for saving lives. A copy of his statement is attached. (Att. 1).

Ed DeSoignie, KDOT, said this bill was still pending in Congress and the President has stated plans to veto the bill because it is tied to spending and KDOT does not believe the veto can be overridden. If S.B. 395 passed Kansas would be out of compliance and would be subject to loss of federal funds. A copy of his statement is attached. (Att. 2).

Hearing on H.B. 2526 - Liens for providing wrecker or towing services.

Mary Turkington, Kansas Motor Carriers Association, representing the Towing & Recovery Division of the Association, said this resulted from a court case and the court invited remedial legislation to clarify that a possessory lien relationship will be established when law enforcement authorities direct a tow operation to take custody of a vehicle. She explained the bill and the system of notice requirements which must be followed by the tow operator to satisfy his lien. The Insurance industry has been working closely with this bill and had two proposed amendments, which are attached. (Att. 3).

Sgt. Bob Giffin said they support this bill and at \$40 a tow they were looking at a possible \$20,000 expense if they did not get the proper language to insure payment.

Mike Santos, City of Overland Park, said they had recently passed a city ordinance addressing this problem and H.B. 2526 has some problems. There is no sort of due process in this bill to dispute the tow and in their city ordinance they do provide for this. The other thing is that funds that exceed the towing charges are to go to the county treasurer and they should go to the city clerk rather than the county treasurer. He was requested to submit written testimony.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES,
room 254-E, Statehouse, at 9:07 a.m./~~p.m.~~ on March 25, 1987

Hearing on H.B. 2458 - Certificate of titles, fee increase.

Harley Duncan, Secretary, Department of Revenue, explained the bill which would increase the title fee from \$3.50 to \$9.00 for a two-year period. These funds would be used to pay for computers which were purchased to implement the Vehicle Information Processing System (VIPS) and would also be used in the reappraisal program. Counties were to be reimbursed for purchasing computers with sufficient capacity to accommodate both systems, but it was made clear that reimbursement was contingent on legislative approval. All 100 counties eligible to participate have purchased their computers and this bill will generate the revenues necessary to reimburse the counties. A copy of his statement is attached. Also attached is a letter from Governor Hayden dated March 4, 1987 in support of H.B. 2458 and a VIPS Paper. (Att. 4).

Jerry McCoy, Sedgwick County Treasurer, said they are in support of H.B. 2458 which would reimburse the county for their substantial investments for purchasing computers to accommodate VIPS processing. A copy of his statement is attached. (Att. 5).

Betty McBride, Cherokee County Treasurer, said the county treasurers are in favor of the bill. They were promised they would be reimbursed and that is why the counties went ahead with the purchase of the computers. They really had no choice. Now she was asking that they stand behind what had been promised to them. She read a statement from Mike Billinger, Ellis County Treasurer which addressed the benefits that would be realized by the VIPS program and expressed gratitude for it. A copy of his statement is attached. (Att. 6).

Nancy Weeks, Haskell County Treasurer, spoke in support of H.B. 2458 and said the counties have made large investments in computer equipment and are now asking for reimbursement which they had been promised. They are supportive of the VIPS program. (Att. 7).

Bev Bradley, Kansas Association of Counties, submitted a written statement in favor of H.B. 2458. A copy of her statement is attached. (Att. 8).

One member felt the Legislature would be blamed and have to take the responsibility for this increase.

Sen. Martin said the counties had been given two weeks to make a decision on the computers and felt they did not have an option. They had been told they would be reimbursed for their expenditures and now it is up to the legislature to raise title fees or the money would be raised by property taxes. He asked whether it could come out of the Department of Revenue budget by spreading it out and it should not be taken out of the people's pockets. He said many people were not in favor of reappraisal to begin with and now they are being asked to pay for the computers. His people are angry and don't want it.

Secretary Duncan said the county treasurers had been told the money was not "on hand" and they would be betting "on the come". He explained that the computers they had would be incompatible and decisions were made which they felt were responsible decisions. He said the timing was not good but he did tell them it was contingent on approval of the legislature.

A motion was made by Sen. Hayden and was seconded by Sen. Bond to approve the Minutes of March 24, 1987. Motion carried.

Meeting was adjourned at 10:00 a.m.

DATE: 3-25-87

GUEST REGISTER
 SENATE
 TRANSPORTATION AND UTILITIES COMMITTEE

NAME	ORGANIZATION	ADDRESS
Nancy Weeks	Haskell Co. Treasurer	Sylveste, Ks.
Donna Shelton	Pratt Co. Treasurer Office	Pratt, Ks
Gene McCony	Sedgewick Co. Treasurer	Wichita Ks
Cileen King	Riley County Treasurer	Manhattan, Ks
Betty B. Gude	Cherokee County Treasurer	Columbus, Mo
Nancy Welsh	Douglas County Treasurer	Lawrence, Ks
John Kovacic	Crawford County Treasurer	Hiward, Ks.
Mary Jadovic	Wey. Co. Treasurer	W.C. Ks.
Bob Giff	KANSAS HIGHWAY PANEL	TOPEKA
HAROLD COOKE	MID AMERICA WRECKER SALES	MERRIAM, Ks.
JERRY TAYLOR	HILLCREST WRECKER	LAWRENCE, Ks
Karen Moody	MOODY'S SALVAGE & AUTO SALES	HOLTON, Ks
Chris Bowyer	Flint Hills Towing Inc.	Emporia, Kn.
Jack Powell	Auto Inn	Wichita, Ks
Marge Powell	Auto Inn	Wichita, Ks
Chip Wheelen	Legislative Policy Group	Topeka
Gary R. Brown	Brown's Super Saver Inc	Topeka-
Alan Steppat	McGill & Assoc.	Topeka

SUMMARY OF TESTIMONY
BEFORE THE SENATE TRANSPORTATION AND UTILITIES COMMITTEE

March 25, 1987

BY THE KANSAS HIGHWAY PATROL
(SERGEANT ROBERT GIFFIN)

Senate Bill 395

APPEARED IN OPPOSITION

The Patrol, as a traffic safety organization, must oppose this bill on the basis of the safety related issues it may effect.

We obviously, have concerns in this respect and will list them for consideration by this committee.

-The National Safety Council estimates that increasing the interstate speed limit to 65 or 70 miles per hour will result in an additional 600 to 1000 deaths each year. The Transportation Research Board estimates an additional 500 deaths per year.

-Following adoption of the National Maximum Speed Limit (NMSL), interstate fatalities decreased 17 percent while miles driven increased only $\frac{1}{2}$ of a percent.

-By 1984, the interstate mileage death rate had dropped to 1.2 per 100 million miles driven despite a substantial increase in miles driven. This rate is $\frac{1}{2}$ of the rate prior to the NMSL.

-One out of 5 drivers on the road in 1984 had never driven under anything but the NMSL.

-Time gained is minimal - on a 100 mile drive only 17 minutes is saved when driving 65 MPH as opposed to 55 MPH.

-Many of todays downsized vehicles afford less driver protection.

-Our experience would indicate drivers would have trouble adjusting from the interstate speed onto a lesser posted roadway and perhaps create additional problems in that respect.

-We estimate that, conservatively speaking, the NMSL has saved 1200+ lives in Kansas. While other factors apply, the speed correlation is too strong to ignore.

-Increased speed equates to fatal and more severe injury accidents and requires greater capability from all drivers. (Persons driving 55 MPH travel at 80.85 feet per second; at 65 MPH this increases to 95.55 feet per second. A very highly skilled driver requires a minimum of $\frac{3}{4}$ of a second to simply react to a situation before any braking is effected, e.g. - at 65 MPH the vehicle travels 71.66 feet prior to any braking action.)

In all candor, we recognize the fact there are generally two sides to every issue so we would include the following facts:

KANSAS FATALITIES - RURAL INTERSTATE

	<u>FATALITIES</u>	<u>RURAL INTERSTATE</u>	<u>TURNPIKE</u>
1983-	406	10	9
1984-	510	13	18
1985-	486	29	7
1986-	500	10	15
1987 (To Date)	<u>68</u>	<u>0</u>	<u>0</u>
TOTALS	1970	62 (^{3%} 0.03%)	49 (^{2%} 0.02%)

We have attached related information for the benefit of this committee and appreciate this opportunity to voice our concern.



**National
Safety
Council**

55 MPH
INFORMATION SHEET

"THE NATIONAL SAFETY COUNCIL STRONGLY SUPPORTS THE NATIONAL
55 MILE PER HOUR SPEED LIMIT. OUR ONLY INTEREST IN THE ISSUE
OF LOWERED SPEEDS IS ONE DICTATED BY OUR PURPOSE AND CHARTER:
WE WANT TO REDUCE ACCIDENTS AND TO SAVE LIVES."

The reasons the National Safety Council adheres to this policy are as follows:

DEATHS FROM MOTOR VEHICLE ACCIDENTS

1. If the trend in the mileage death rate for the ten years prior to 1973 had continued through 1985, about 80,000 more deaths would have occurred in motor-vehicle accidents from 1974 through 1985 than actually occurred. (See Table)

Estimate of Total Lives Saved, 1974-1985

Year	Vehicle- Miles ¹	Estimated MDR ²	Estimated Deaths	Actual Deaths ³
1974....	1290	4.14	53,406	46,402
1975....	1330	4.03	53,599	45,853
1976....	1412	3.94	55,633	47,038
1977....	1477	3.84	56,717	49,510
1978....	1548	3.75	58,050	52,411
1979....	1529	3.65	55,809	53,524
1980....	1521	3.56	54,148	53,172
1981....	1556	3.48	54,149	51,385
1982....	1592	3.39	53,969	45,779
1983....	1657	3.31	54,847	44,452
1984....	1717	3.23	55,459	46,200
1985....	1765	3.15	55,598	45,700
Cum. Total			661,384	581,426
Difference				79,958

¹Federal Highway Administration. In billions.

²Average annual decrease of 2.45% from 1973 mileage death rate of 4.24 based on linear regression line fitted to 1963-1972.

³National Center for Health Statistics (1974-1983) and National Safety Council (1984-1985).

In the mid-1970s, the Council estimated that between 30 percent and 50 percent of the total lives saved were due to lower and more uniform speeds brought about by the 55 m.p.h. speed limit.

In more recent years, according to the Transportation Research Board report; 55: A Decade of Experience, between 2,000 and 4,000 lives per year are still being saved by the 55 mph limit. The TRB estimate translates into a range of 20 percent to 40 percent of the annual total lives saved in 1984.

Assuming a smooth transition from 30-50 percent in the early years to 20-40 percent now, we can use 25-45 percent to estimate the number of lives saved by the 55 m.p.h. limit over the 12 year period. These percentages, when applied to the 80,000 total lives saved, result in an estimated 20,000 to 36,000 lives saved due to the 55 mph speed limit between 1974 and 1985.

2. The mileage death rate on the nation's highways for 1973 (before the limit) was 4.24 per 100-million miles traveled, compared to the 1985 mileage death rate of 2.58.
3. Although the number of miles driven has increased since 1973, the rate of deaths per mile driven actually has decreased by 37 percent.
4. In a collision, the chances that a motor vehicle occupant will be fatally injured doubles with each 10 miles of speed over 55 mph that the vehicle is traveling.
5. Eighteen percent of all accidents occur in areas posted at 55 mph; 51% of all fatalities occur in these areas and 22% of all injuries, according to National Highway Traffic Safety Administration.

EFFECTS OF RAISING SPEED LIMITS ON INTERSTATE ROADWAYS

1. If all states raised the speed limit to 65 or 70 mph on the interstate system, the National Safety Council estimates that an additional 600 to 1,000 deaths would result each year.

The Transportation Research Board estimates that an additional 500 deaths would occur each year if the speed limit were raised on the interstate system.

2. In 1973, the mileage death rate on the interstate highway system was 2.4 per 100-million miles driven.

After the 55 mph speed limit was effected the death toll on the interstate system dropped to 2.0 per 100-million miles driven.

This represented a 17 percent reduction in fatalities while miles driven increased only 1/2 of one percent.

In 1984, the mileage death rate had dropped to 1.2 per 100-million miles driven despite a substantial increase in miles traveled.

- 3. The interstate highway system may have been designed for speeds higher than 55 mph, but drivers and smaller cars were not. Smaller, lighter cars give less protection in crashes.

COMPLIANCE WITH THE NATIONAL 55 MPH SPEED LIMIT

Compliance with the national 55 mph speed limit has slackened somewhat since the law was adopted in 1974, but according to the Highway Users Federation the annual percent of drivers exceeding 55 mph remains far below pre-1974 levels, as indicated here:

<u>YEAR</u>	<u>AVERAGE SPEED</u>	<u>PERCENT EXCEEDING 55 MPH</u>
1970	59.2	66%
1972	60.3	68%
1974	55.3	50%
1976	55.6	54%
1978	56.3	56%
1980	55.2	50%
1981	54.9	49%
1982	55.3	53%
1983	55.7	54%
1984	55.9	56%

INJURIES FROM MOTOR VEHICLE ACCIDENTS

Paralyzing spinal cord injuries are down 60 percent as a result of the reduced speed limit, according to the American Medical Association. Thus motor vehicle crashes are no longer the number one cause of spinal injuries in the country.

YOUTHFUL DRIVERS ON THE ROAD

One of five drivers on the road in 1984 was a new driver who had not been licensed in 1973 and had always driven under posted 55 mph speed limit. Since 1973, states have licensed more than 30 million new drivers, many of them in younger age groups. Drivers under the age of 25 years are involved in about 33 percent of all fatal motor vehicle accidents. These drivers are not experienced in driving a vehicle at higher speeds.

TIME SAVINGS

The time gain is minimal.

<u>SPEED</u>	<u>10</u>	<u>20</u>	<u>35</u>	<u>50</u>	<u>100</u>
65 mph	9 min.	18 min.	32 min.	46 min.	1 hr. 32 min.
60 mph	10 min.	20 min.	35 min.	50 min.	1 hr. 40 min.
55 mph	11 min.	22 min.	38 min.	55 min.	1 hr. 49 min.

(Sources: Federal Energy Administration, Federal Highway Administration and U. S. Department of Transportation)

SMALL CARS

1. Many of the cars manufactured and purchased over the past decade are what we consider small cars. The smaller, lighter cars give motorists less protection in crashes.
2. Reduced speeds provide drivers better control of their vehicle and more time to avert hazards thereby reducing the possibility of accidents.

OTHER FACTS

The Minnesota Safety Council had two experimental drivers travel over the same 1,000 mile route in similar vehicles. The fast driver passed 2,000 cars, braked 1,339 times and covered the distance in 20 hours, 12 minutes. The slow driver flowed with traffic, passed only 13 cars and braked 652 times. It took him 20 hours, 43 minutes; 31 minutes longer than the fast driver. The faster car used 10 gallons more gas, and the driver's pulse rate rose because of the tension and risks he had taken.

Average life expectancy increased by 1.8 years from 1972 to 1976. The 55 mph gets some of the credit for the increase. One insurance company actuarial study (New England Mutual Life) says the sudden advance in life expectancy resulted from medical progress and better self care, "but mostly to the 55 mph speed limit on highways." Between 1976 and 1979 average life expectancy has increased an additional 1.6 years.

A September 1982 Gallup poll reports that 76 percent of Americans want to keep the 55 mph speed limit.

The results of a poll conducted by R.H. Bruskin Associates, which was published in the February 19, 1985 U.S.A. Today, reported that 50.4 percent of the respondents prefer speeds ranging from 51 mph to 55 mph.

CONCLUSION

The 55 mph speed limit is still this nation's best single device for saving lives and preventing injuries from motor vehicle accidents.

National Safety Council
1986

SPONSOR: Governor Deukmejian
SUBJECT: National Maximum Speed Limit

A. BACKGROUND

1. In 1974, the United States Congress enacted the 55 MPH National Maximum Speed Limit (NMSL) as an emergency fuel conservation measure. The 55 limit has been retained because of its significant safety benefits.
2. Traffic regulation has traditionally been a state responsibility. To ensure nationwide adoption of the 55 limit, Congress required all states to adopt conforming legislation or lose federal highway funding.
3. Average and 85th percentile speed on certain Interstate highways and freeways have been steadily increasing, and are approaching pre-55 levels.
4. Selectively increasing the speed limit on major rural Interstate highways and freeways will increase the efficiency of state transportation systems, foster greater respect for traffic laws, and allow law enforcement resources to be redirected without significantly reducing highway safety.
5. Federal regulations now require each state to annually certify that no more than 50 percent of its motorists are exceeding the 55 MPH limit or be subject to the sanction of designated highway funds.
6. The Transportation Research Board (affiliated with the National Research Board) has recommended that the federal government adopt a system of compliance measurement which better recognizes safety priorities. Congress is presently considering adoption of compliance measurement procedures which would assign greater significance to higher speed violations and those which occur on less safe roadways.

B. GOVERNORS' POLICY STATEMENT

1. We support allowing states the flexibility to increase the maximum speed limit on selected rural Interstates and freeways where safety would not be significantly reduced.
2. We support adoption of a safety-based method of compliance measurement which considers the severity and location of noncompliance.
3. We encourage the establishment of a compliance threshold which would be equitable for all states, recognizing the unique driving conditions in different regions. In the event sanctions are imposed, highway safety-related projects should be exempted to avoid compounding the negative safety impacts of NMSL noncompliance.

Different Speeds for Different Needs

There are two things truly uniform about the national 55-mile-an-hour speed limit: it is uniformly violated and it is uniformly mocked. President Reagan, hoping to boost Republican prospects this fall, has endorsed repealing it in favor of limits set by the states. This change is warranted regardless of politics.

The national 55-mile limit is an idea whose time has passed. It is a nightmare of enforcement hypocrisy for the states. Virtually no one regularly keeps to the 55-mile limit. Yet Federal highway funds are still withheld from states that don't adequately enforce it.

The 55-mile limit is not useless. Far from it. It was adopted during the 1973 Arab oil embargo to save fuel. It does that — as much as 2 percent a year. More important, it saves lives, perhaps as many as 4,000 a year. Those who want to keep the limit, like Joan Claybrook, former Administrator of the National Highway Traffic Safety Administration, contend that those saved lives are reason enough to retain it.

They're right, up to a point. The limit ought to be maintained on many roads — and most, if not all, of those 4,000 lives will still be saved. As for other highways, the cost-benefit trade-offs are complex.

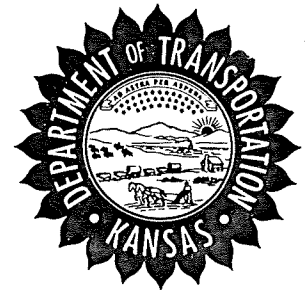
Police agencies ought to decide, for instance, whether enforcing the limit is worth the loss of resources for tasks that might save more lives, like pursuing drunken drivers. There is good reason to believe that the 55-mile limit can be selectively and safely relaxed. Highway engineers in state after state have determined that on certain routes speed limits could be raised, to 65, without causing more accidents. Many highways, after all, were designed to be driven at speeds up to 70.

The main problem with the 55-mile limit is that it is *universal*. It treats sparsely traveled Interstate highways in Montana just like the Long Island Expressway, where traffic regulates speeds far more effectively than any law. Compare that with arrow-straight Interstates with not another car in sight all the way to North Platte. As Westerners frequently observe, on roads like that, falling asleep at the wheel from boredom is more of a danger than hitting another car.

The President does not endorse a particular speed limit bill, nor is there any reason to do so. Let each state decide on which roads the limit can safely be raised to 65. Common sense about safety is already uniform across the states; the exact speed limit need not be.

KANSAS DEPARTMENT OF TRANSPORTATION

DOCKING STATE OFFICE BUILDING — TOPEKA, KANSAS 66612-1568
(913) 296 — 3566



HORACE B. EDWARDS, Secretary of Transportation

MIKE HAYDEN, Governor

March 27, 1987

MEMORANDUM TO: The Honorable Bill Morris, Chairman
Senate Transportation & Utilities Committee

FROM: Edward R. DeSoignie
Policy Coordinator

REGARDING: Senate Bill 395

The following constitutes my remarks to the Senate Transportation & Utilities Committee during hearings on Senate Bill 395 held on March 25, 1987.

Congressional approval of the 65 mile per hour speed limit on rural interstate highways is tied to the Federal Highway Bill. Present indications are that the President will veto the highway bill and that the veto will not be overridden by the Congress. Based on this scenario, the 65 mile per hour speed limit is presently a moot issue. Therefore, should the Kansas Legislature enact Senate Bill 395 into law the State of Kansas will be out of compliance with the Federal 55 mile per hour speed limit. Noncompliance with the 55 mile per hour speed limit could result in the withholding of Federal-aid funds to Kansas in the amount up to ten percent of primary, secondary, and urban apportionments totaling \$5.3 million annually.

Given these circumstances, the Department respectfully requests the Senate Transportation & Utilities Committee to either amend the bill to clarify that the 65 mile per hour speed limit is contingent upon passage of Federal legislation authorizing the State to establish the speed limit or to delay action on the bill until such time as the issue is again addressed by the Congress.

Thank you Mr. Chairman and members of the Committee.

ATT. 2
T&U 3/25/87

STATEMENT

By The

TOWING & RECOVERY DIVISION

KANSAS MOTOR CARRIERS ASSOCIATION

In support of House Bill 2526
which establishes a possessory
lien for persons providing wrecker
or towing service.

Presented to the Senate Transportation & Utilities
Committee, Sen. Bill Morris, Chairman; Statehouse,
Topeka, Wednesday, March 25, 1987.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Mary E. Turkington, Executive Director of the Kansas Motor Carriers Association. I appear here today representing the Towing & Recovery Division of our Association for which Mr. Gary Brown of Brown's Super Service of Topeka, is chairman. Mr. Jerry Taylor, president of our Association and owner and operator of Hillcrest Wrecker and Garage, Inc. of Lawrence also is in the hearing room this morning along with other representatives of the Towing and Recovery Division.

Mr. Bill Barker, Topeka attorney who worked with the Division to draft this proposal also is in the hearing room. We will be pleased to respond to any questions you may have at the conclusion of this presentation.

ATT. 3
T&U 3/25/87

We are here to support House Bill 2526 which addresses several critical areas of concern.

1. The bill responds to a Kansas Court of Appeals case, Hartford Insurance Company v. Overland Body Tow, Inc., in which the court ruled that a lien relationship was not created between the owner of a car that was towed at the direction of a law enforcement officer and the tow operator who provided the towing and storage services. Law enforcement authorities, not the owner, had directed the tow operator to take custody of the vehicle. The court invited remedial legislation to clarify that such a possessory lien relationship will be established when law enforcement authorities direct a tow operator to take custody of a vehicle.

Prior to the Hartford case, Kansas tow operators, as well as Kansas law enforcement officers, assumed that a possessory lien relationship was created when transportation was provided at the direction of a law enforcement officer. Because of the dictate of the Court of Appeals, it is critical that the Legislature create this lien relationship by statute. That is the major thrust of House Bill 2526.

2. The bill also establishes a uniform system of notice requirements which must be followed by the tow operator to satisfy his lien for charges resulting from the recovery, transportation, protection, storage or safekeeping of the towed vehicle. A special subcommittee of the House Transportation Committee worked with the industry to improve this notice system. We further have worked closely with the Insurance industry to add additional safeguards into the notice time table.

Accordingly, the Insurance industry has requested two minor amendments to the bill.

In Section 1, line 36 of the bill, we would propose that we substitute 60 days for the 30 days time we now are required to be in possession of the vehicle.

The second amendment would appear in Section 2 in line 63. As amended, that section would read . . .

"Such verification request shall be submitted to the division of vehicles no less than 45 days nor more than 60 days after such person took possession of the vehicle. Notice of sale, as provided in this act, shall be mailed by certified mail to any such registered owner and any such lienholders within 10 days after receipt of verification of the last owner and any lienholders, if any."

The Insurance industry believes that the 45 days is necessary "lead time" to permit the insurance company to be the name on the title at the time verification of the owner is sought IF the vehicle in question is a stolen vehicle.

While this amendment clearly imposes additional record-keeping requirements on the tow truck operator, we understand the problems of the Insurance industry and will support the amendment if the Committee wishes to adopt the proposed language.

The bill further provides that the tow truck operator must, within 10 days after receiving the verification of the last registered owner and any lienholders, if any, notify such owner and lienholder, by certified mail, that if the amount due is not paid within 15 days from the date of mailing, the vehicle will be sold at public auction.

Current law simply provides that such property must be held for a minimum of 6 months before it can be sold at public auction. There currently are no requirements for verification of the owner or lienholders, if any. The only notice requirements are publication of the sale in the newspaper.

House Bill 2526 requires that such vehicles be sold at public auction. Notice of the time and place of sale, along with a description of the vehicle and any unclaimed personal property remaining in the vehicle must be published in a county newspaper for three consecutive weeks.

Sections 4 and 5 provide that the proceeds of such sale, after the payment of charges itemized in the act, shall be deposited with the treasurer of the county where the sale takes place by the person making such sale, such person taking the treasurer's receipt therefor, and shall be subject to the order of the person legally entitled thereto.

Proper documents shall be filed with the clerk of the county in which the sale takes place and such documents or copies thereof duly certified by such clerk, shall be received as presumptive evidence of the matters therein contained.

By and large, a possessory lien does not become a reality with vehicles of any value. Owners claim their vehicle, pay the recovery and storage costs and go on their way. More often than not, the possessory lien becomes necessary and the sale at public auction eventually must be conducted for vehicles which have little or no value.

House Bill 2526 represents a sincere effort by the Towing & Recovery Division of our Association to develop a workable, lawful, uniform procedure with which our industry can comply.

We have worked closely with the Kansas Highway Patrol, the Division of Vehicles, with the Kansas Motor Car Dealers Association, the AAA and AMOCO auto clubs, with the Kansas Automotive Dismantlers and Recyclers Association, with the special subcommittee of the House Transportation Committee and with the Insurance industry in finalizing the provisions of H.B. 2526.

We believe the legislation addresses an important area of public interest and provides workable solutions to these problems.

We respectfully ask your support for the proposed amendment and for House Bill 2526 in its proposed amended form.

We will be pleased to respond to any questions you may have.

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KANSAS DEPARTMENT OF REVENUE
Office of the Secretary
State Office Building · Topeka, Kansas 66612-1588

March 9, 1987

Dear Legislator:

HB 2458 increases the fee for a motor vehicle title from \$3.50 to \$9.00 for a two year period effective January 1, 1988. Funds from the fee increase will be used to implement the Vehicle Information Processing System (VIPS) and to reimburse counties for computers they have purchased to operate the VIPS and reappraisal programs.

The attached material explains the VIPS program and the benefits it will provide to vehicle owners, law enforcement, county treasurers and the State. It also discusses the relationship between VIPS and the reappraisal program and the benefits to both the counties and the State from that relationship.

HB 2458 is vitally needed to enable implementation of the VIPS program and to continue our commitment to counties to share in the cost of reappraisal. It is endorsed by the Kansas Association of Counties, the Kansas County Treasurers Association and Governor Hayden. I encourage your support of HB 2458.

I hope this information is helpful. Please feel free to contact me if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "H.T. Duncan".

Harley T. Duncan
Secretary of Revenue

ATT. 4
T&U 3/25/87

FACT SHEET ON HB 2458

FUNDING FOR VIPS AND REAPPRAISAL REIMBURSEMENTS

1. HB 2458 increases the fee for a **motor vehicle title from \$3.50 to \$9.00 for a two year period** beginning January 1, 1988. Funds from the increase will be used to **implement the Vehicle Information Processing System (VIPS) and to reimburse counties** for purchasing computers with sufficient capacity to accomodate both the reappraisal Computer Assisted Mass Appraisal (CAMA) system and VIPS.
2. **VIPS is a total overhaul of the manual and automated systems** used by the Department of Revenue and the counties to register and renew vehicles, title vehicles, secure mortgage interests in vehicles, collect, deposit and report on vehicle-related fees and make vehicle information available to law enforcement agencies. VIPS will enable the Department to provide better service to vehicle owners as well as to law enforcement and county treasurers. Some of the principal advantages of VIPS are: (See attached paper for a more complete description of VIPS and its benefits.)
 - » **Vehicle Owners** will benefit because they will be receive quicker, error free service. With VIPS, the county will be able to access State files to make necessary changes quickly, all information will be automatically edited, and many calculations will be automated. All of these will reduce the possibility of errors and enable owners to be served more quickly.
 - » **Law Enforcement** will benefit because the vehicle information files on which they rely will be updated more quickly and more accurately.
 - » **County Treasurers** will benefit because the opportunity for errors is reduced greatly, certain time consuming reporting, inventory control and office functions will be automated, error correction processes will be simplified, and all transactions will be done with one universal form. Also, VIPS will eliminate the need for counties to develop their own computer systems for the vehicle function.
 - » **The State** will benefit because VIPS will reduce duplicated efforts between counties and the State, errors will be reduced, and the error correction process will be simplified.
3. VIPS was **begun in 1982**. Specific appropriations for VIPS were **approved by the 1983, 1985 and 1986 Kansas Legislature**. Expenditures to implement VIPS are included in the FY 1988 Department of Revenue budget approved by the House Committee on Appropriations. Implementation of VIPS in the counties is scheduled to begin by January 1988 and continue through December 1988. Approximately \$2 million in staff and consultant expenses have been incurred to date in developing VIPS.

4. Because the Department of Revenue is responsible for both the VIPS and reappraisal programs, it took steps to **integrate the operation of VIPS and CAMA on the same computer** where possible. The Department desired to integrate VIPS and CAMA because it maximizes the ability of the Department to provide support to the counties, the Legislature was concerned about incompatible computers in the counties, it simplifies computer operations for the counties, and it provides for the **lowest total state and local computer cost for VIPS and reappraisal**.
5. To encourage counties to participate in the VIPS/CAMA computer effort, the Department proposed that if the counties would purchase a computer large enough to operate both VIPS and CAMA at this time, and if there was room to install VIPS on the computer when it was implemented, then the **State would reimburse the county** for the central processing unit (computer) they purchased. It was consistently made clear that the reimbursement was **contingent on legislative approval**.
6. **All 100 counties** eligible to participate in the reimbursement program **have purchased their computers**, and they have been installed in 96 counties. **HB 2458 will generate the revenues necessary to reimburse the counties**.
7. In the **five large counties** (Douglas, Johnson, Sedgwick, Shawnee and Wyandotte), VIPS will be operated on IBM System 36 computers purchased specifically for VIPS. The CAMA systems required in these counties operates on a mainframe computer and thus could not work on the same computer as VIPS. These counties will receive no reimbursement for computer hardware for reappraisal. **VIPS is of greatest benefit to them**, however, in that they have the greatest number vehicle owners and without it each of them would probably have to develop their own computer system to handle the motor vehicle function.
8. The total cost to install VIPS and reimburse the counties will be **\$8.8 million**. The two-year increase in the title fee will generate this same amount. Of the \$8.8 million, \$6.1 million is attributable to the VIPS hardware and software, and \$2.7 million is attributable to the reimbursements being paid to counties. Operating VIPS and CAMA on the same computers **saves roughly \$1 million over the first five years** compared to the cost of purchasing separate computers for each of the systems.
9. The cost of a Kansas vehicle title at \$9.00 will **not be out-of-line with other states**. Ten states now have a title fee greater than \$10.00. The House Committee on Transportation amendment **sunsets the increased fee after two years** which is the period required to pay the costs of installing VIPS.
10. **HB 2458 has been endorsed by the Kansas Association of Counties, the Kansas County Treasurers Association and Governor Hayden. (See attached letter.)**

STATE OF KANSAS



OFFICE OF THE GOVERNOR

State Capitol
Topeka 66612-1590
(913) 296-3232

Mike Hayden Governor

March 4, 1987

The Honorable Rex Crowell
Representative, 76th District
Room 431 - N
State Capitol Building
Topeka, Kansas 66612

Dear Representative Crowell:

I am writing to inform you of my support of House Bill 2458 which increase the fee for a motor vehicle title from \$3.50 to \$9.00 as a means of funding the Vehicle Information Processing System (VIPS).

The passage of this bill is important for several reasons. The primary reason is that it is important for the state to honor its commitment to the counties in reimbursing the counties for computer purchases made for reappraisal. The state must, I believe, honor the good faith effort exhibited by the counties in the VIPS/Reappraisal hardware decisions.

It is also important that the state take every opportunity of improving the services provided to the public and I believe that this system will bring the vehicle registration system into the 1990s.

I would appreciate your every good effort in assuring the passage of House Bill 2458.

Sincerely,

A handwritten signature in cursive script, appearing to read "Mike Hayden".

Mike Hayden
Governor of Kansas

VIPS PAPER

What is VIPS?

- 1) VIPS is a computerized system designed to streamline the functions of County Treasurers and 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 a large system development project utilizing primarily state manpower following a formal systems development methodology called SDM/70.
 - The methodology consists of nine phases. Four of the nine phases have been completed. Four phases are in various stages of completion. The ninth phase "post implementation review" occurs after the system becomes operational.
 - Consulting personnel experienced in systems development have guided state staff whose primary experience has been limited to system maintenance. Assistance from consultant technicians will supplement the abilities and skills of state personnel in order to develop a state-of-the-art information processing system.
 - VIPS is scheduled to begin a phased implementation in November, 1987. Final phase of implementation will involve installing VIPS in the last 50 counties during FY 1989.

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

- 1) VIPS is a distributed data processing system. Its objective is to improve service to vehicle owners through improved processing at the County Treasurer's Office.
- 2) Each County Treasurer's office will have significant computer equipment to process the motor vehicle applications. This equipment will include:
 - An IBM System 36 processor, terminal workstation(s), printers and a tape back-up device. County Treasurer's staff will input data and make time saving inquiries to the centralized data base.
 - Disc drives will store computer operating software, application programs and data processed by the County Treasurer for vehicle owners.
 - Printers will produce registration receipts and other relevant paper work.
 - Telecommunications equipment will transmit data and inquiries to the state-maintained data base and return current vehicle data to the county offices within seconds after an inquiry.
- 3) Renewal transactions represent approximately 70% of the system volume. The following narrative illustrates the renewal transaction process:
 - The state data center in Topeka will generate a renewal notice that will be mailed to vehicle owners.

- Vehicle owners will mail or hand carry their information to the County Treasurer's office.
- For each vehicle, the County Treasurer will inquire into the state data files to retrieve information stored on the computer, thus 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 computer printed receipt will be produced, reviewed for accuracy and signed by the vehicle owner.
- Registration renewal and property tax fees will be automatically calculated and collected by the County Treasurer.
- The vehicle owner will receive an automated receipt and the vehicle plate and/or decal.
- Data will be stored on the county data collection file and transmitted to the state via telecommunications after office hours.
- 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 primarily for the following reasons:
 - The current vehicle information system is an inadequate tool for County Treasurers trying 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 than can be provided by the current process.
 - The present data processing system is antiquated (more than 25 years old), technically obsolete, and the programs are difficult (as well as costly) to maintain.
 - Agency users experience numerous problems that can be minimized or eliminated by the new system. A few of the problems are: the necessity to correspond with motor vehicle owners and County Treasurers to resolve problems allowed by the current system; a long training period for new employees; "catching up" from backlogs resulting from an uneven work flow and competing seasonal processing requirements; and the need to constantly move employees from their assigned duties to crisis responsibilities and then back to the duties that they were trained to perform.
- 2) Numerous benefits will be experienced when the system is implemented. The more obvious benefits are listed in the attachment titled "VIPS Benefits".

How much will VIPS cost?

- 1) VIPS will cost approximately \$8.8 million for IBM System 36 computers shared with CAMA, associated hardware (terminal, printers, etc.), maintenance, computer software, telecommunication lines and technical assistance.
- 2) Projected costs for the first ten years of operation are approximately \$66.9 million compared to a projected cost of \$69.2 million for the present system over the same period.

- 3) Indirect savings from the new system are projected to be \$7.3 million
- 4) Based on the cost information the new system will pay for itself and the cost associated with the CAMA portion of the processor during the eleventh year of operation.

What is the relationship between VIPS and CAMA?

- 1) VIPS and CAMA are both large information processing systems managed by KDOR and designed to collect as well as process data at the county level.
- 2) The department elected to process the data on a shared CPU because:
 - Absent of such an arrangement KDOR would have to train staff to provide technical support for several different types of hardware in 105 different locations. The quality of such support would suffer plus be more expensive.
 - The benefits of standardization grow exponentially when additional applications are considered.
 - The approach is consistent with the "One Customer" concept stated in the State Information Technology Master Plan. That is, with a state contract for standardized hardware significant, cost reductions can be achieved and there will be greater leverage over the vendor.
 - A shared minicomputer (IBM System 36) compared to a microcomputer environment is more capable of being upgraded.
 - Other benefits of the shared System 36 processor include: prompt statewide service; equipment compatible with many current systems installed in the state and the counties; sharing of equipment knowledge between offices within the courthouse, and easier maintenance at the county level.
- 3) To assist in achieving the advantages of systems integration KDOR has proposed to the counties a funding package that has been agreed to by all of the 100 eligible counties. The funding package basically goes as follows:
 - If a county purchases now a System 36 large enough to operate both VIPS and CAMA with their own money; and
 - If there is sufficient capacity when VIPS is implemented, and the county agrees to maintain the capacity for VIPS and CAMA on the System 36; then
 - The State will reimburse the county for the cost of the processor necessary to accommodate the two applications.
 - It has consistently been made clear to the counties that reimbursement was contingent upon legislative approval.

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

- 1) Revenue needed to finance the purchase of the VIPS/CAMA computer processors and VIPS peripheral equipment may be financed through an increase in vehicle title fees effective January, 1988.
 - A \$5.50 increase in title fees for 24 months would generate \$8,800,000 or a \$3.50 increase for 36 months would produce \$8,400,000.

The advantage of paying for the system in 2 years is that by the time the system is fully implemented, the cost of the system would be paid.

- 3) A comparison of additional costs attributable to implementation and additional revenue required for financing (in millions) through an increase in title fees is:

	COSTS	\$5.50 INCREASE	MONTHS TO PAY	\$3.50 INCREASE	MONTHS TO PAY
FY 87	\$.46	-0-		-0-	
FY 88	\$4.13	\$2.2	6	\$1.4	6
FY 89	\$4.22	\$4.4	12	\$2.8	12
FY 90	implemented	\$2.2	6	\$2.8	12
FY 91	<u>implemented</u>	<u>paid</u>	<u>-0-</u>	<u>1.4</u>	<u>6</u>
TOTAL	\$8.81	\$8.8	24	\$8.4	36

What would VIPS cost if the CAMA were not a consideration?

- 1) In addition to expenditures for current system operations, VIPS would cost \$6,080,276 to implement compared to \$8,811,747 if CAMA remains a part of the reimbursement package promised to the counties.
- Purchase and maintenance of shared versus separate processors will result in a 13% savings within the first five years of operation.

How do Kansas title fees compare to fees to other states?

- 1) The average title fee for all fifty states is \$5.99. Twenty-three states have a title fee greater than \$5.00 but less than \$10.00. Ten states have a title fee greater than \$10.00. The survey of other states was limited to regular titled vehicles and didn't consider "add on" title fees like the additional \$3.00 fee for each lienholder listed on a Connecticut title.
- Vehicle owners will more readily accept an increase in title fees than an increase in registration fees.

VIPS Benefits

- 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 county 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.);
 - alleviating problems relating to applicants moving from one county to another prior to renewal time;
 - resulting in less time preparing applications will result in faster service
- 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 time consuming 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 Vehicle awaiting applicant response to correct deficiencies



SEDGWICK COUNTY, KANSAS

TREASURER

Jerry McCoy

SUITE 107

COUNTY COURTHOUSE, WICHITA, KANSAS 67203-3703

PERSONAL PROPERTY TAXES/VEHICLE REFUNDS 268-7651
REAL ESTATE TAXES 268-7414

DISTRIBUTION AND BONDS
CASHIER

268-7561
268-7345

March 25, 1987

Mr. Chairman and members of the Committee. I am Jerry McCoy, Sedgwick County Treasurer and Chairman of the VIPS Committee for the Kansas County Treasurers Association. I wish to thank you for the opportunity to speak before you this morning.

I am here today to encourage your support of House Bill 2458 as amended.

The Vehicle Information Processing System (VIPS), scheduled to be implemented beginning in December, 1987, is a long-awaited and much needed improvement in vehicle registration and titling processing at both the state and county level. It is designed to eliminate many errors, reduce taxpayer inconvenience, improve productivity and to deliver a much better level of service to taxpayers than is currently available.

The Department of Revenue has developed VIPS in cooperation with the county treasurers over the last 3 years, so we are convinced that this system will be an excellent state-of-the-art registration system.

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T&U 3/25/87

We believe the Department of Revenue has taken a reasonable approach with a user-fee to fund the training, equipment purchase reimbursement, and other related costs for VIPS implementation. The addition of the sunset provision authorizing the fee increase for only two years should give some assurances that these fees will be utilized exclusively to implement VIPS state-wide in the shortest amount of time in order to provide maximum efficiencies.

Many counties have made substantial investments already by purchasing computers with additional capacity to accommodate VIPS processing and are primarily waiting for the release of the software from the state in a little over 8 months. We are so close to actually having this system in place, we strongly urge you to support this final implementation funding for VIPS and assist us in delivering a registration system to the taxpayers, the improvement which will be immediately apparent to them.

Thank you.

FROM: Mike Billinger, Ellis County Treasurer

TO: Members of the Senate Transportation Committee

Re: H.B. 2458

Good morning. I am Mike Billinger, Ellis County Treasurer. I would like to extend my gratitude to you for allowing me this time to make my presentation. I realize your time is very valuable; therefore I shall be brief as well as concise.

As a County Treasurer, I would like to reaffirm my personal position as well as that of the Kansas County Treasurers Association concerning the support of the Vehicle Information Processing System (VIPS) project. Ellis County, by most standards, can be considered a medium size county. During the past several years, Ellis County has computerized most county functions such as taxation and accounting. This conversion has been time consuming as well as difficult. However, it's rewards have not only increased the level of services, but also the quality of services to the taxpayers of Ellis County. Nonetheless, there still exists a gap in the computerization of Ellis County which will be rectified with the implementation of the VIPS Project.

VIPS main objective is to improve services to vehicle owners by means of high-technology processing at the level of the County Treasurer's office. As a county treasurer for the past 14 years, I can assure that the majority of problems related to this office are directly associated with motor vehicle registration activity. With the implementation of VIPS, I feel certain that many of the problems will be resolved.

Not only will improvements be recognized by the county treasurers, but also in the vital area of law enforcement. The availability of accurate, up-to-date motor vehicle data will be instantaneous. Under the present antiquated system, most information assimilated in the treasurer's office is not entered into the State's system for a minimum of 3 working days. This results in time concerting efforts by law enforcement to retrieve accurate information.

VIPS will also be the demise of the many different forms and fee charts presently maintained by county treasurers, county clerks, and county appraisers. These would all be an integral part of the VIPS system, thus eliminating the guesswork involved in the use of forms as well as fee charts.

It is apparent that I can speak for 15 minutes or more concerning direct and indirect benefits associated with the implementation of VIPS. However, in summation, I should like to express the gratitude of the KCTA to our legislators who have continually supported the concept of the VIPS project. You have recognized the need for such a project and you have made available the funds needed to complete this project. With your continued support, the populus of Kansas shall recognize a motor vehicle processing system second to none in the United States.

Thank you.

Mike Billinger, Ellis Co. Treasurer

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Office of the
HASKELL COUNTY TREASURER

Sublette, Kansas 67877

Chairman Morris and Members of the Committee;

Good morning. My name is Nancy Weeks, Haskell County Treasurer. I am here in support of H. B. 2458.

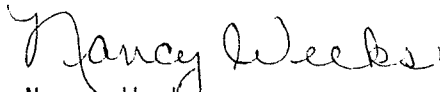
The Kansas County Treasurer's are in need of a system to improve their service to the people of Kansas. VIPS (Vehicle Information Processing System) is that system. VIPS would improve service on vehicle transactions. VIPS will also reduce the chance of errors, due to the information being entered directly into the computer. VIPS will also update the state's records on a nightly basis so that each counties information coincides with the states.

Many counties have already made large investments in computer equipment having been told they will be reimbursed by the state.

We are asking you to provide the funding for VIPS. We are very supportive of the VIPS system because there is a definite need for VIPS.

Thank you for your time and consideration. On behalf of the County Treasurer's of Kansas and all Kansan's, I request you pass H. B. 2458 out of Committee.

Gratefully,


Nancy Weeks
Haskell County Treasurer

ATT. 7
T&U 3/25/87

Kansas Association of Counties

Serving Kansas Counties

212 S.W. Seventh Street, Topeka, Kansas 66603

Phone (913) 233-2271

March 25, 1987

To: Senator Bill Morris, Chairman
Members Senate Transportation Committee

From: Bev Bradley, Legislative Coordinator
Kansas Association of Counties

Re: HB-2458 Concerning Increasing Fees For
Motor Vehicle Certificate of Title

Thank you Mr. Chairman and members of the committee for allowing me to submit a brief statement in writing.

The Kansas Association of Counties supports HB-2458. We understand this is the chosen procedure for funding the VIPS - project and counties would receive benefit from it. We urge your favorable consideration of HB-2458

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