

Approved 3/28/88
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 24, 1988 in room 254-E of the Capitol.

All members were present except:

Sen. Doyen was excused.

Committee staff present:

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

Conferees appearing before the committee:

Charles Herron, President, Emporia Motor Freight Company
Tom Whittaker, Kansas Motor Carriers Association
Alphonso Maxwell, Kansas Corporation Commission
Harley Duncan, Secretary, Department of Revenue

Hearing on H.B. 3064 - Concerning issuance of securities by motor carriers, exemption.

Charles Herron, President, Emporia Motor Freight Co., spoke of a problem they had two years ago when they purchased the company and discovered it was necessary to request a hearing before the KCC and obtain a certificate in order to issue debt in excess of 12 months. They learned this procedure would be necessary each and every time the company issued any debt instrument in excess of 12 months. They received proper authority but KCC could not retroactively approve debt that already was on company books. By leaving the statute in its present form it would place a burden on KCC in approving every piece of equipment purchased by a carrier in Kansas. This bill would exempt motor carriers and would validate the transactions which have occurred previously. This bill was passed by the House on a vote of 125-0.

Tom Whittaker, Kansas Motor Carriers Association, said they support this bill. He said his Association had not even been aware of the requirement. Leaving the statute in place would place an undue burden on KCC if it were adhered to. A copy of his statement is attached. (Attachment 1).

Alphonso Maxwell, KCC, said they support this bill and it would place a burden on them if this bill were not passed.

A motion was made by Sen. Hayden and was seconded by Sen. Novell that H.B. 3064 be recommended for passage and placed on the Consent Calendar. Motion carried.

Hearing on H.B. 3065 - Monthly vehicle dealer reports, lending agencies.

Harley Duncan, Secretary, Department of Revenue, said this bill was requested by a lending agency that only sells motor vehicles as incidental to their business when a vehicle is repossessed. It would provide that a lending agency that sells two or less vehicles a month will not be required to file a monthly sales report, but must report annually. He said he supports this bill.

A motion was made by Sen. Hayden and was seconded by Sen. Bond that H.B. 3065 be reported favorably and be placed on the Consent Calendar. Motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES,
room 254-E, Statehouse, at 9:00 a.m./~~p.m.~~ on March 24, 1988

Action on H.B. 2954 - Airport zoning, notice to Secretary of Transportation.

The chairman said KDOT had requested more time on this matter and would present a bill to the 1989 session. A motion was made by Sen. Hayden and was seconded by Sen. Thiessen to recommend H.B. 2954 adversely. Motion carried.

Hearing on H.B. 2770 - Nonhighway certificate of title fee increase.

Harley Duncan, said this bill had been requested by the Department of Revenue because this had been an oversight last year when all other title fees were increased. A copy of his statement is attached. (Attachment 2). A motion was made by Sen. Vidricksen and was seconded by Sen. Hayden to recommend H.B. 2770 favorable for passage. Motion carried.

The meeting continued with Sen. Thiessen as chairman.

Discussion on H.B. 2302 - Motorized bicycles, drivers' license.

This bill had been requested by the city of Overland Park because these vehicles were a potential hazard. This would require a class C license to operate a Mo-Ped. Bruce Kinzie had prepared an amendment to the bill which would require a test for a Mo-Ped. All that is required now is a written test and an eye test, there is no skill test. No insurance is required because Mo-Peds are not considered a motor vehicle. A conceptual motion was made by Sen. Bond and was seconded by Sen. Frey to require an instructional test for the operation of a Mo-Ped. Motion carried.

A motion was made by Sen. Bond and was seconded by Sen. Vidricksen to recommend H.B. 2302 as amended, favorable for passage.

A motion was made by Sen. Bond and was seconded by Sen. Vidricksen to adjourn the meeting. Motion carried.

Meeting was adjourned at 9:45 a.m.

DATE: 3-24-88

ROOM: 254-E

GUEST REGISTER
SENATE

TRANSPORTATION AND UTILITIES COMMITTEE

NAME	ORGANIZATION	ADDRESS
Harold B. Luntz	Division of Vehicles	Topeka
TOM SKINNER	" "	" "
PAUL W. MATTHEWS	HIGHWAY USERS FEDERATION	OKLA. CITY, OK
Tom Whitaker	Ks Motor Carriers Assn	Topeka, Ks
Alfroy A. Maxwell	KCC	Topeka, KS
H. Dugan	Revenue	Topeka KS
Charles Hurron	Emporia Motor Freight	Emporia KS
John W. Smith	Revenue	Topeka
Ed DeSoigne	KDOT	Topeka
TAT BARNES	Ks. Motor Car Dealers Assn	Topeka
Mary E. Turkington	Ks. Motor Carriers Assn-	Topeka

STATEMENT

By The

KANSAS MOTOR CARRIERS ASSOCIATION

In support of H.B. 3064 which would exempt motor carriers from seeking approval by the Corporation Commission for debt which will not be paid in a 12-month period.

Presented to the Senate Transportation & Utilities Committee, Sen. Bill Morris, Chairman; Statehouse, Topeka, March 24, 1988.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Tom Whitaker, Governmental Relations Director for the Kansas Motor Carriers Association with offices in Topeka. I am here today representing our member-firms and the highway transportation industry to state our support for House Bill 3064.

The introduction of this bill addresses a problem outlined in a letter from Charles L. Herron, President of Emporia Motor Freight, Inc., of Emporia, Kansas.

Mr. Herron explained that two years ago four members of the management of Emporia Motor Freight purchased this company, encountered the provisions of K.S.A. 66-125, and discovered it necessary to request a hearing before the Kansas Corporation Commission and obtain a certificate in order to issue debt in excess of 12 months.

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The company complied with this requirement but did not realize that this procedure would be necessary each and every time the company issued any debt instrument in excess of 12 months.

Strict adherence to the provisions of K.S.A. 66-125 would indicate that anything from a major equipment purchase down to a typewriter purchase would require Commission approval.

The company went to the Commission and obtained proper authority to issue the securities; however, upon requesting the Commission to retroactively approve debt that already was on the company books, they encountered difficulty in what appears to be a precedence in court cases in Kansas implying that the Commission cannot retroactively approve a transaction of this nature.

After spending time with the staff counsel of the Commission, Mr. Herron discovered that Emporia Motor Freight, Inc., has been the only motor common carrier before the Commission for any type of financing transaction in recent years. I can tell you that our Association staff was not even aware of this requirement.

Mr. Herron further points out that leaving this statute in its present form, and assuming that it would indeed be adhered to, would place quite a burden on the Corporation Commission in approving every piece of equipment purchased by a carrier holding Kansas intrastate authority. Apparently he has reached some consensus with the Commission's staff counsel in this connection as well.

The amendment to H.B. 3064 simply exempts motor carriers as defined in K.S.A. 66-1,108 from K.S.A. 66-125 and validates the transactions which have occurred prior to the effective date of this act. This amendment would leave in place the provisions of K.S.A. 66-125 for other public utilities or common carriers to which the act was intended to apply.

The House Transportation Committee amended the bill to become effective upon publication in the Kansas Register, recognizing the urgency of this problem. The bill passed the House by a vote of 125-0.


We earnestly ask your support of this proposal. We will be pleased to attempt to answer any questions you may have.

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KANSAS DEPARTMENT OF REVENUE
Office of the Secretary
Robert B. Docking State Office Building
Topeka, Kansas 66612-1588

MEMORANDUM

TO: The Honorable Bill Morris, Chairman
Senate Committee on Transportation and Utilities

FROM: Harley T. Duncan 
Secretary of Revenue

RE: HB 2770

DATE: March 24, 1988

Thank you for the opportunity to appear before you on HB 2770 which would increase the fee for a non-highway certificate of title from \$3.50 to \$9.00 until January 1, 1990.

The 1987 Legislature increased the fee for certificates of title from \$3.50 to \$9.00 for the period January 1, 1988 to December 31, 1989. The purpose of the increase was to offset the costs of purchasing and installing the equipment necessary of the Vehicle Information Processing System.

Unfortunately, the fee for the non-highway certificate of title was overlooked in that legislation. This bill corrects the oversight. The bill will increase receipts to the State Highway Fund \$80,000 in FY 1989 and \$40,000 in FY 1990. Failure to enact the bill will result in an unanticipated draw on the State Highway Fund of about \$120,000.

I would be glad to answer any questions.

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