

Approved August 4, 1989
Date

MINUTES OF THE House COMMITTEE ON Transportation

The meeting was called to order by Rex Crowell at
Chairperson

1:30~~xxx~~/p.m. on February 13, 1989 in room 519-S of the Capitol.

All members were present~~xxxx~~

Committee staff present:

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

Conferees appearing before the committee:

Mr. Bill Henry, Kansas Engineering Society
Representative Denise Everhart
Ms. Terry Humphrey, Kansas Manufactured Housing Association
Mr. Mark Wettig, Kansas Department of Revenue

The meeting was called to order by Chairman Crowell, and the first order of business was a continued hearing on HB-2014 concerning the maintenance, building and financing of highways.

Mr. Bill Henry, Kansas Engineering Society, Inc., testified in support of HB-2014. (See Attachment 1)

The next order of business was a hearing on HB-2177 concerning nonhighway registration of mobile homes and travel trailers.

Representative Denise Everhart, co-sponsor of HB-2177, briefed the Committee on its contents.

Bruce Kinzie explained a suggested amendment to HB-2177. (See Attachment 2)

A letter from Mr. Alex Scott, in support of HB-2177, was passed among committee members. (See Attachment 3)

Ms. Terry Humphrey, Kansas Manufactured Housing Association, testified in support of HB-2177. (See Attachment 4)

Mr. Mark Wettig, Kansas Department of Revenue, spoke concerning HB-2177. (See Attachment 5)

The meeting was adjourned at 2:00 p.m.


Rex Crowell, Chairman



Kansas Engineering Society, Inc.

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Executive Vice President

Testimony on H.B. 2014 House Transportation Committee February 8, 1989

Mr. Chairman, and members of the committee, I am Bill Henry, Executive Vice President of the Kansas Engineering Society and I appear before you today in support of H.B. 2014 and in support of the necessity of making improvements to our highway system in the state of Kansas.

The Kansas Engineering Society is composed of more than 900 licensed engineers who perform their profession in consulting, government work, industry, construction and education.

Our organization has carefully analyzed H.B. 2014 and with the cooperation of the Department of Transportation has reviewed the various standards the department has utilized in studying the improvements contained in this bill as well as the guidelines for system enhancements. We also heartily endorse the five-year plan as an excellent tool for organizing an efficient construction program.

As a profession the Kansas Engineering Society particularly endorses the direction the interim committee took in determining that it should be the professionals within the Department of Transportation who should designate where the state should best utilize the dollars produced by this bill to do construction and re-construction. The Department of Transportation in recent years has developed an excellent information system which both rates the efficiency and condition of our roads. It would be highly unwise we feel to not utilize the wealth of information that is available to you in determining where and at what time improvements should be made in the five-year plan.

Speaking of re-construction. One of the problems that we feel that has lead to some misunderstanding in studying the issue of highways the past two years is the concept that the program as designed is one whereby we are simply going out throughout the state and constructing brand new miles of highway to add to a system that is already one of the largest in the country. As a professional organization looking at the Kansas Department of Transportation planning we know only too well that we are talking about an updating of a system already in place by a variety of techniques to insure we can maintain the system we already have. Within this program there is only a minimum of truly "new" construction. It behooves us to realize that this program although it may sound large is really only a drop in the bucket compared to our state's total infrastructure needs.

Att. 1

The Society would also compliment this committee on its direction in setting out a matrix of options in terms of financing. This is a wise move and good planning. On behalf of the Society I wish to endorse particular segments that we find as attractive and fair means of financing the highways that we are discussing here today.

First in terms of motor fuel tax increases the Society believes the 4-1-1-1 option as set out in option 4 to be one good finance alternative the committee should recommend. An initial four cents is absolutely necessary to meet both the requirements for state matching of federal funds and for the initial thrust of the program. In terms of registration fee increases we think the option found in option 1, a fifty-two percent passenger fee increase and thirty percent freight increase is another balanced alternative.

In 1983 the Kansas Engineering Society along with several other organizations you have heard testify today agreed to what was then an unique departure for highway financing in Kansas; that was to distribute some of our sales tax collections from the sale of automobile parts and automobiles from the general fund to the highway fund. At the time the engineering society felt this was a highly unique move in that it went away from our "traditional sense" of user fees for highways. Since that time we have seen that particular method of funding to be valuable in a most important sense, it is a growth fund that keeps up with inflation and prevents transportation needs from always being one step behind in funding. As a result the engineering society would endorse a sales tax transfer increase in the amount of at least twelve percent as set out in option 5 of the highway finance alternatives.

Many of the members in the engineering society work for and with local units of government. We are highly cognizant that it is at the local level where most of our infrastructure needs are met, particularly in areas other than transportation. At the same time many of our transportation needs have to be met at the local level as well. As you all know property taxes through re-appraisal, will cause some major shifts of responsibility for local units of government. Today we do not know what those shifts will be. We believe however, as a professional society, that the local units of governments must receive aid through the highway package. We believe that aid must be significant and should amount to at least thirty-five percent of the motor fuel tax increase. This figure we think can be supported by the League of Municipalities and we would urge the committee to listen carefully to the League's recommendation in this area.

Our society is not made up of bond experts although our members work on projects all the time involving bond sales, so we cannot tell you what is the best sales technique with which to fund your bond program. However, we would caution the committee to utilize those bonds that will demand the least

amount of interest and produce sufficient funds to do the re-construction that is necessary for our road system.

We realize however that a key determinate as to how much bonds and the length of the term of bonds depends upon whether or not a sales tax is utilized to help support the funding of this package. Those of you that have set on other committees may have learned through previous testimony that the Kansas Engineering Society is one of the strong proponents of the Margin of Excellence program that the legislature funded for the first time last year. The Society believes that education can never be ignored and a state cannot reduce its funding of education and survive economically. At the same time we realize there are many elements that attract industry and keep industry and small businesses in Kansas operating. Education is one of those needs that sustains our economy for tomorrow. There is little doubt that a good transportation system, throughout our state, is another important key in maintaining the health of our economy. Because of that balanced need we believe the committee should consider the use of the sales tax to help finance highways and that the sales tax not be automatically ruled out if it will enhance the sale and lower the interest rates of bonds, which in turn will leverage a quick and efficient construction of the program that has been discussed.

We appreciate the opportunity to share our support for the revitalization of our highway system and we assure the committee that we will be available to support and work toward the passing of legislation that will accomplish that end.

Respectfully submitted,
KANSAS ENGINEERING SOCIETY

William M. Henry
Executive Vice President

Att. 2

119 ment, or executory sales contract, the person owning such vehicle,
120 upon furnishing satisfactory proof to the county treasurer of such
121 ownership, may procure a certificate of title to the vehicle.

122 (3) Dealers shall execute, upon delivery to the purchaser of every
123 new vehicle, a manufacturer's statement of origin stating the liens
124 and encumbrances thereon. Such statement of origin shall be deliv-
125 ered to the purchaser at the time of delivery of the vehicle or at a
126 time agreed upon by the parties, not to exceed 30 days, inclusive
127 of weekends and holidays. The agreement of the parties shall be
128 executed on a form approved by the division. In the event delivery
129 of title cannot be made personally, the seller may deliver the man-
130 ufacturer's statement of origin by restricted mail to the address of
131 purchaser shown on the purchase agreement. The manufacturer's
132 statement of origin may include an attachment containing assignment
133 of such statement of origin on forms approved by the division. Upon
134 the presentation to the division of a manufacturer's statement of
135 origin, by a manufacturer or dealer for a new vehicle, sold in this
136 state, a certificate of title shall be issued if there is also an application
137 for registration ~~or, in the case of the mobile home or travel~~
138 ~~trailer, for nonhighway registration.~~

, except that no application for registra-
tion shall be required for a mobile home
or travel trailer used for living quarters
and not operated on the highways

139 (4) The fee for each original certificate of title shall be \$9.00 until
140 January 1, 1990 and \$3.50 thereafter, in addition to the fee for
141 registration of such vehicle, trailer or semitrailer. The certificate of
142 title shall be good for the life of the vehicle, trailer or semitrailer
143 while owned or held by the original holder of the certificate of title.

144 (5) Upon sale and delivery to the purchaser of every vehicle
145 subject to a purchase money security interest as defined in K.S.A.
146 84-9-107, and amendments thereto, the dealer or secured party may
147 complete a notice of security interest and when so completed, the
148 purchaser shall execute the notice, in a form prescribed by the
149 division, describing the vehicle and showing the name and address
150 of the secured party and of the debtor and other information the
151 division requires. The dealer or secured party may, within 10 days
152 of the sale and delivery, mail or deliver the notice of security interest,
153 together with a fee of \$1.50, to the division. The notice of security
154 interest shall be retained by the division until it receives an appli-
155 cation for a certificate of title to the vehicle and a certificate of title

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

THANK YOU FOR LETTING ME RESPOND TO HB 2177 CONCERNING NON-HIGHWAY REGISTRATION OF MOBILE HOMES AND TRAVEL TRAILERS. THIS IS A CONCERN IN THE DISTRICT THAT I REPRESENT BECAUSE A NUMBER OF PEOPLE STATIONED AT FT. RILEY FIND MOBILE HOMES THE ONLY AFFORDABLE ALTERNATIVE TO PAYING RENT. SOME OTHER THINGS I NEED TO POINT OUT ABOUT THIS FORM OF HOUSING:

THE TIRES ON THESE HOMES ARE USUALLY ADEQUATE TO DELIVER THE HOMES TO THE "PERMANENT" LOCATION AND LITTLE MORE. ONCE ON SITE THEY HAVE ABOUT AS MUCH CHANCE TO BE MOBILE AS A BASEMENT IF YOU DISCOUNT OUR KANSAS TORNADOES.

THE REGISTRATION OF THESE HOMES AS HIGHWAY VEHICLES, IT WOULD APPEAR, WOULD REQUIRE A LICENSE TAG AND PROOF OF LIABILITY INSURANCE. YET THESE VEHICLES, IN THE RARE INSTANCES WHEN THEY ARE MOVED ARE TOWED BY SPECIALLY ADAPTED TRUCKS ("TRACTORS") BY A COMPANY WHICH CERTAINLY CARRIES INSURANCE OR REQUIRES THE HOME OWNER TO BUY A POLICY SIMILAR TO A ONE TRIP AIRLINE TICKET POLICY.

FOR RECREATIONAL VEHICLES IT SHOULD BE POSSIBLE TO TREAT THEM EQUALLY. THIS COULD BE IN THE FORM OF A WHEEL TAX OR MILEAGE TAX.

ABOVE ALL, WE SHOULD KEEP OUR TAX POLICIES FROM HARASSMENT OF THE INDIVIDUAL. I BELIEVE THAT WAS WHAT THE BOSTON TEA PARTY WAS ABOUT.

THANK YOU FOR YOUR TIME AND CONSIDERATION SINCE ANOTHER COMMITTEE ASSIGNMENT OF MINE CONFLICTS AND MEETS AT THE SAME TIME TODAY.

ALEX SCOTT
2/13/89

KANSAS MANUFACTURED HOUSING ASSOCIATION

TESTIMONY BEFORE

HOUSE

TRANSPORTATION COMMITTEE

TO: Representative Rex Crowell
and Members of the Committee

FROM: Terry Humphrey, Executive Director
Kansas Manufactured Housing Association

DATE: February 13, 1989

Mr. Chairman and members of the committee, I am Terry Humphrey Executive Director of the Kansas Manufactured Housing Association (KMHA), a trade association representing all facets of the manufactured housing industry.

Today I come before you to support House Bill 2177, which repeals the requirement of nonhighway registration of manufactured homes in K.S.A. 1988 Supplement 8-135 and 8-143.

Presently, an owner of a manufactured home living in a manufactured home rental community, is required to register the home and purchase a \$2.00 nonhighway license plate. Then the license plate must be posted in a conspicuous place on the home. Consequently, it is this requirement that impacts the home owner and their house guests negatively.

Historically it was necessary to register and tag mobile homes when they were smaller, pulled behind a automobile, and designed for a transient mode of living. Also at that time, registration was necessary to record the home on the personal property tax rolls. However today, modern manufactured homes are designed to be permanent housing and typically the home is only moved once from the sales center to the home site. Also today, manufactured homes are placed on the tax rolls when the home is titled.

In recent years the KMHA has been working to modernize laws that pertain to manufactured housing, so that our housing can attain its rightful position in the housing market. And, by repealing these statutes we are one step closer to that goal.

Additionally, while researching this proposal I did contact the Department of Motor Vehicles and the Kansas County Treasurers Association to see if there was a problem with this proposal and neither group could see one. Therefore, I respectfully request your support of House Bill 2177. Thank you.

MEMORANDUM

TO: The Honorable Rex Crowell, Chairman
House Transportation Committee

FROM: Mark E. Wettig
Special Assistant to the Secretary

DATE: February 13, 1989

SUBJECT: House Bill 2177, As Introduced

I appreciate the opportunity to appear before you today concerning House Bill 2177.

BACKGROUND

This bill would exempt mobile homes and travel trailers used as living quarters and not operated on the highway from registration. The purpose behind the nonhighway registration and license plate requirement for these types of vehicles is to assist the county appraiser in determining whether these vehicles are on the county tax roles.

Passage of this bill is estimated to decrease the State Highway Fund by approximately, \$37,500 for FY 1990.

The Department would save \$8,160 in FY 1990 with the passage of this bill.

RECOMMENDATION

The Department of Revenue has no position on House Bill 2177.

Thank you.