

Approved 2/21/89
Date

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES

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

9:02 a.m./~~p.m.~~ on February 16, 1989 in room 254-E of the Capitol.

Members present:

Senators Morris, Doyen, Francisco, Hayden, Kanan, F. Kerr, Martin, Rock, Thiessen and Vidricksen.

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:

Mark Wettig, Department of Revenue
Major David Hornbaker, Kansas Highway Patrol
Harold Turntine, Division of Motor Vehicles, Department of Revenue
Pat Barnes, Kansas Motor Car Dealers Association
Alphonso Maxwell, KCC
Mary Turkington, Kansas Motor Carriers Association

Hearing on S.B. 140 - Vehicle dealers; denial, suspension or revocation of license.

Mark Wettig, Department of Revenue, said this bill would require motor vehicle manufacturers to release new make, model or series of vehicles throughout the year so the correct value could be used for property tax purposes. A copy of his statement is attached. (Attachment 1).

Hearing on S.B. 141 - Cross-titling.

Mark Wettig explained cross-titling and said they have had some problem with people being able to escape payment of registration fees, personal property tax and sales tax because they never appear in the chain of title. A copy of his statement is attached. (Attachment 2).

Major David Hornbaker, Kansas Highway Patrol, said they support S.B. 141. A copy of his statement is attached. (Attachment 3).

Some members felt that perhaps this bill could lead to harassment and asked for a better definition of who this bill would include.

Hearing on S.B. 237 - 30-Day temporary registration permits.

Mark Wettig said there was a problem because issuing more than one 30-day temporary registration permit does not constitute any type of criminal violation. Individuals could operate without insurance, payment of registration fees, property tax or sales tax. A copy of his statement is attached. (Attachment 4).

Harold Turntine, Division of Motor Vehicles, said there were approximately 200,000 of these permits per year and VIPS was not used because this was low priority.

Pat Barnes, Kansas Car Dealers Association, said they were concerned about the person who might inadvertently issue these permits. An employee could do it and the dealer might be charged. He requested that "knowingly" issue such a permit should be in the bill. A conceptual motion was made by Sen. Francisco to include "knowingly" or something to that effect in the bill. Motion was seconded by Sen. Hayden. Motion carried.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES,
room 254-E, Statehouse, at 9:02 a.m./~~p.m.~~ on February 16, 1989

A motion was made by Sen. Rock to recommend S.B. 237 as amended favorably for passage. Motion was seconded by Sen. Hayden. Motion carried.

Hearing on S.B. 142 - Motor carrier transfer permits.

Alphonso Maxwell, KCC, said this bill was for technical changes and it would separate unrelated topics into a more readable format. A copy of his statement is attached. (Attachment 5).

Mary Turkington, Kansas Motor Carriers Association, said they support this bill.

A motion was made by Sen. Hayden to recommend S.B. 142 favorably for passage. Motion was seconded by Sen. F. Kerr. Motion carried.

Action on S.B. 140 - Vehicle dealers; denial, suspension or revocation of license.

A motion was made by Sen. Francisco to recommend S.B. 140 favorably for passage. Motion was seconded by Sen. Hayden. Motion carried.

Action on S.B. 132 - Prohibiting certain vehicle Sunday sales.

A motion was made by Sen. Martin to recommend S.B. 132 adversely. Motion was seconded by Sen. Rock. Motion carried.

There was some discussion on S.B. 132, the county treasurers' registration fee bill. There was some question as to whether the four largest counties should be handled differently.

Meeting was adjourned at 10:00 a.m.

MEMORANDUM

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

FROM: Mark E. Wettig
Special Assistant to the Secretary

DATE: February 15, 1989

SUBJECT: Senate Bill 140, As Introduced

I appreciate the opportunity to appear before you today in support of legislation requested by the Department of Revenue. Senate Bill 140 is the result of a Department recommendation to require motor vehicle manufacturers to provide certain information.

BACKGROUND

The Division of Property Valuation is required to determine the correct value for motor vehicles for property tax purposes and must provide that information to the counties. The property tax has to be paid at the time the vehicle is registered and the vehicle must be registered within thirty days of the date of purchase. Most manufacturers release new make, model or series of vehicles throughout the year and do not notify the Division. When this occurs, there are taxpayers in the treasurer's office wanting to register their new vehicles, for which neither the county nor the Division has sufficient

information to determine value so property taxes can be paid.

Senate Bill 140 would permit the Director of Vehicles to deny, revoke, suspend or refuse to renew a first or second stage manufacturer's license under the Dealer Licensing Act, for failing to provide the Director of Property Valuation with information necessary for VIN identification and determination of vehicle classification at least 90 days prior to release for sale of any new make, model or series of vehicles. The bill would take effect on July 1, 1989.

RECOMMENDATION

The Department of Revenue requests the committee's favorable support of Senate Bill 140.

Thank you

MEMORANDUM

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

FROM: Mark E. Wettig
Special Assistant to the Secretary

DATE: February 15, 1989

SUBJECT: Senate Bill 141, As Introduced

I appreciate the opportunity to appear before you today in support of legislation requested by the Department of Revenue. Senate Bill 141 is the result of a Department recommendation to make cross-titling of motor vehicle titles unlawful.

BACKGROUND

Cross-Titling or jumping title is defined as selling, exchanging or transferring a vehicle or mobile home and not showing a complete chain of ownership on the title. People who sell vehicles in this manner are able to escape payment of registration fees, personal property tax and sales tax, because they never appear in the chain of title. This also allows these people to effectively operate as vehicle dealers without having to comply with the requirements of the Dealer Licensing Act or the Consumer Protection Act. The bottom line is that the State and County are losing funds and consumers are purchasing vehicles without the

warranties they are entitled to. Senate Bill 141 would make the cross-titling of a motor vehicle or mobile home a Class B misdemeanor.

RECOMMENDATION

The Department of Revenue urges the committee's support of Senate Bill 141.

Thank you.

CERTIFICATE OF TITLE

STATE OF KANSAS

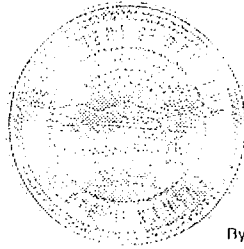
TITLE NO. **A1205660** VEHICLE IDENTIFICATION NO. YEAR **1963** MAKE **Cadillac** MODEL **2D**

STYLE EMPTY WEIGHT APPLICATION DATE MILEAGE ISSUE DATE CLASS

SAMPLE

NAME(S) AND ADDRESS OF OWNER(S)

Bill Morris
 9822 Hardtner
 Wichita, KS 67212



THIS VEHICLE IS SUBJECT TO THE FOLLOWING LIEN(S):

FIRST LIEN RELEASE

By _____ Name _____ Title _____

Subscribed and Sworn before me this

_____ day of _____, 19 ____ County _____ State _____

SEAL

Notary Public _____

My Commission expires the _____ day of _____, 19 ____

SECOND LIEN RELEASE

By _____ Name _____ Title _____

Subscribed and Sworn before me this _____ day of _____, 19 ____

County _____ State _____

SEAL

Notary Public _____

My Commission expires the _____ day of _____, 19 ____

I, the undersigned hereby certify that I have approved an application for certificate of title for the vehicle described hereon, pursuant to the provisions of the Motor Vehicle Laws of this State, and the applicant named on the face hereof has been duly recorded as the lawful owner of said vehicle.

I further certify that the vehicle is subject to the security interests shown hereon, if any. But, however the vehicle may be subject to other security interests.

Thomas W. Skinner
 Thomas W. Skinner
 Director of Vehicles

Harley T. Duncan
 Harley T. Duncan
 Secretary of Revenue

TR-19T Rev. 3-88

VOID IF ALTERED

Application for title must be made in the treasurer's office in county in which you reside. Carriers having vehicles eligible for proration of fleet registration shall make application for Certificate of Title by applying directly to the Kansas Department of Revenue, Division of Vehicles, Topeka, Kansas 66626-0001. Penalty if not applied for within 30 days from assignment. Notary public in executing this instrument, swears and affirms that seller's signature was affixed in their presence as provided by Kansas Statute. For VALUE RECEIVED SELLER ASSIGNS, TRANSFERS AND CONVEYS UNTO THE PURCHASER THE VEHICLE DESCRIBED ON THE CERTIFICATE AND SELLER WARRANTS THE TITLE TO BE FREE FROM ALL LIENS AND ENCUMBRANCES EXCEPT AS STATED IN THE ASSIGNMENT OR RE-ASSIGNMENT, that the odometer reading stated herein is correct and that a Federal Odometer Statement has been completed with each assignment, a copy of which will be kept for three (3) years.

ASSIGNMENT OF TITLE	<p>Name of Purchaser _____</p> <p>Street Address _____ City _____ State _____</p> <p>Lienholder or Secured Party _____ Address _____</p> <p>I certify that the odometer of the vehicle now reads _____ miles/km. that to the best of my knowledge such reading is the actual mileage and that the odometer has not been altered, set back, disconnected, repaired or replaced while in my possession, unless one or more of the following statements is checked:</p> <p><input type="checkbox"/> The above reading is not actual mileage and should not be relied upon. <input type="checkbox"/> The above reading is in excess of 99,999 miles/km.</p> <p><input type="checkbox"/> The repaired or replacement odometer was reset or installed at zero and the original mileage was _____ miles/km.</p> <p><input type="checkbox"/> The repaired or replacement odometer was calibrated to a reading identical to the odometer before such service. <input type="checkbox"/> The odometer reading is in kilometers.</p> <p>SEAL _____ Signature _____ (Seller)</p> <p>Subscribed and Sworn to before me in my presence this _____ day of _____, 19____ County _____ State _____</p> <p>Notary Public _____ My Commission expires the _____ day of _____, 19____</p>
KANSAS REGISTERED DEALERS RE-ASSIGNMENT	<p>Name of Purchaser _____</p> <p>Street Address _____ City _____ State _____</p> <p>Lienholder or Secured Party _____ Address _____</p> <p>I certify that the odometer of the vehicle now reads _____ miles/km. that to the best of my knowledge such reading is the actual mileage and that the odometer has not been altered, set back, disconnected, repaired or replaced while in my possession, unless one or more of the following statements is checked:</p> <p><input type="checkbox"/> The above reading is not actual mileage and should not be relied upon. <input type="checkbox"/> The above reading is in excess of 99,999 miles/km.</p> <p><input type="checkbox"/> The repaired or replacement odometer was reset or installed at zero and the original mileage was _____ miles/km.</p> <p><input type="checkbox"/> The repaired or replacement odometer was calibrated to a reading identical to the odometer before such service. <input type="checkbox"/> The odometer reading is in kilometers.</p> <p>SEAL _____ Dealer's name & Dealer number _____ By _____</p> <p>Subscribed and Sworn to before me in my presence this _____ day of _____, 19____ County _____ State _____</p> <p>Notary Public _____ My Commission expires the _____ day of _____, 19____</p>
KANSAS REGISTERED DEALERS RE-ASSIGNMENT	<p>Name of Purchaser _____</p> <p>Street Address _____ City _____ State _____</p> <p>Lienholder or Secured Party _____ Address _____</p> <p>I certify that the odometer of the vehicle now reads _____ miles/km. that to the best of my knowledge such reading is the actual mileage and that the odometer has not been altered, set back, disconnected, repaired or replaced while in my possession, unless one or more of the following statements is checked:</p> <p><input type="checkbox"/> The above reading is not actual mileage and should not be relied upon. <input type="checkbox"/> The above reading is in excess of 99,999 miles/km.</p> <p><input type="checkbox"/> The repaired or replacement odometer was reset or installed at zero and the original mileage was _____ miles/km.</p> <p><input type="checkbox"/> The repaired or replacement odometer was calibrated to a reading identical to the odometer before such service. <input type="checkbox"/> The odometer reading is in kilometers.</p> <p>SEAL _____ Dealer's name & Dealer number _____ By _____</p> <p>Subscribed and Sworn to before me in my presence this _____ day of _____, 19____ County _____ State _____</p> <p>Notary Public _____ My Commission expires the _____ day of _____, 19____</p>
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ANY ALTERATION OR ERASURE VOIDS THIS TITLE

SUMMARY OF TESTIMONY
SENATE TRANSPORTATION AND UTILITIES COMMITTEE
SENATE BILL 141
BY
MAJOR DAVID HORNBAKER
KANSAS HIGHWAY PATROL
FEBRUARY 16, 1989

The Patrol appears in support of Senate Bill 141 as presented by the Senate Committee on Transportation and Utilities.

Currently in K.S.A. 1988 Supp 8-2410 (a) (22), the cross-titling definition contained in SB141 exists, but only as it applies to administrative hearings conducted on affected dealers violating these provisions.

The proposed addition to Chapter 8, Article 1, would make it a misdemeanor for violation of the cross-titling act by all individuals, including dealers.

In order for Kansas titles to clearly show a chain of ownership on vehicles and mobile homes, this legislation should be adopted, and we ask for it's favorable consideration.

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MEMORANDUM

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

FROM: Mark E. Wettig
Special Assistant to the Secretary

DATE: February 15, 1989

SUBJECT: Senate Bill 237, As Introduced

I appreciate the opportunity to appear before you today in support of legislation requested by the Department of Revenue. Senate Bill 237 is the result of a Department recommendation to make the unlawful issuance of a 30-day temporary registration permit a misdemeanor.

BACKGROUND

Under current law, issuing more than one thirty-day temporary registration permit, issuing a permit without proof of ownership or issuing a permit without proof of payment of sales tax does not constitute any type of criminal violation. This allows vehicles to be operated, sometimes for years at a time, without insurance, payment of registration fees, property tax and sales tax, by a dealer improperly issuing the "owner" a new temporary permit every 30 days. SB 237 would make unlawful issuance of a 30-day temporary registration permit a Class B misdemeanor and would take effect July 1, 1989.

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RECOMMENDATION

The Department of Revenue urges this committee to lend its support to Senate Bill 237.

Thank you.

STATEMENT
BY THE
KANSAS CORPORATION COMMISSION

In support of Senate Bill No. 142 which: (1) amends K.S.A. 66-1,112c so as to separate unrelated topics into a more readable format; and (2) amends K.S.A. 66-1,118 to ease the requirement associated with transfer of motor carrier authority.

Presented to the Senate Transportation and Utilities Committee, Senator Bill Morris, Chairman; Statehouse, Topeka, February 16, 1989.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE: My name is Alfonzo A. Maxwell, Transportation Division Administrator for the Kansas Corporation Commission (KCC). I am here today representing the KCC in support of Senate Bill No. 142.

The introduction of this bill addresses two Commission concerns. First, it amends K.S.A. 66-1,112c to separate several unrelated topics into a more readable format; existing laws would be enforced. Second, it amends K.S.A. 66-1,118 so as to ease the requirements associated with transfer of motor carrier authority; making the language consistent with other motor carrier statutes.

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We ask your support of this proposal. I would be happy to answer any questions you may have.