

Approved 4-28-90
Date

MINUTES OF THE House COMMITTEE ON Transportation

The meeting was called to order by Rex Crowell at
Chairperson

1:40 ~~am~~/p.m. on March 13, 1990 in room 519-S of the Capitol.

All members were present except:

Representatives Everhart and Dean, excused.

Committee staff present:

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

Conferees appearing before the committee:

Mr. Mark Wettig, Kansas Department of Revenue
Mrs. Pat Wiechman, Kansas Automotive Dismantlers & Recyclers

The meeting was called to order by Chairman Crowell and the first order of business was a hearing on SB-481 increasing the fee for duplicate registration of vehicles.

Mr. Mark Wettig, Kansas Department of Revenue, testified in support of SB-481. (See Attachment 1)

The hearing on SB-481 ended.

The next order of business was a hearing on SB-482 modifying the definition of a Salvage Vehicle Dealer.

Mrs. Pat Wiechman, Kansas Auto Dismantlers and Recyclers Association, testified in favor of SB-482. (See Attachment 2)

The hearing on SB-482 ended.

The next order of business was a hearing on SB-531 providing a transfer certificate for salvage vehicles.

Mrs. Pat Wiechman, Kansas Auto Dismantlers and Recyclers Association, testified in support of SB-531. (See Attachment 3)

Chairman Crowell appointed a subcommittee consisting of Representative Shore, chairman, and Representatives Lawrence and Long, to further study SB-482 and SB-531.

The hearing on SB-531 ended.

The meeting was adjourned at 2:10 p.m.


Rex Crowell, Chairman

Wettig

MEMORANDUM

TO: The Honorable Rex Crowell, Chairman
House Transportation Committee

FROM: Mark E. Wettig
Special Assistant to the Secretary of Revenue

DATE: March 13, 1990

SUBJECT: Senate Bill 481

I appreciate the opportunity to appear before you today in support of legislation requested by the Department of Revenue. Senate Bill 481 is the result of a Department recommendation to increase the fee for a duplicate registration receipt from \$.50 to \$2.00.

BACKGROUND

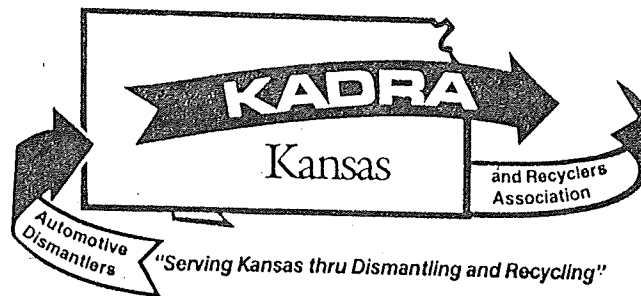
A duplicate registration is issued upon request of a vehicle owner when the original registration has been lost or destroyed. This past summer the Department did an intensive internal audit of fees which have not been raised for some time, to determine if such fees fell short of the Department's actual costs for the service rendered. The auditors determined that the actual cost (processing, mailing, ect.) to produce a duplicate registration is \$2.00.

RECOMMENDATION

The Department feels that the duplicate registration fee is a "user fee" and as such should be passed on to the actual user. The Department of Revenue urges the committee's support of Senate Bill 481.

Thank you.

A+1



HOUSE TRANSPORTATION COMMITTEE

March 13, 1990

Senate Bill No. 482

Mr. Chairman, Members of the Committee:

I am Pat Wiechman, executive secretary for the Kansas Automotive Dismantlers and Recyclers Association.

Senate Bill 482 is the result of our Association working with the Division of Vehicles in an attempt to address some clean up language to K.S.A. 8-2401.

By way of history, dating back to the years of the Salvage Control Board, there was a transfer of duties from the Department of Transportation to the Department of Revenue. These changes were made cautiously, in an attempt to protect the interest and needs of all parties. Prior to the changes in 1986, there was a need for a separate salvage dealer license. The language surrounding that license was continued into the law changes. Presently, those salvage dealers that desire to sell used vehicles at

retail, must have both a used and salvage license. This is issued as a combination Used and Salvage License. Although administratively efficient, the result has been a great deal of confusion for everyone and the possibility of abuse was created and has been used.

As it now stands, anyone desiring to "beat the system" can first obtain a used vehicle dealers license by meeting the requirements for that license which include certain zoning requirements. After the used license is in place, the dealer is then in the position to check the "Used and Salvage" designation on the renewal application. While it is true that most counties and cities have special zoning requirements for salvage operations, it is also true that many of the local zoning approvals are not checked very closely on renewals, under the theory that they were in business before and there is really no change, so it is approved. As a result, the "Used and Salvage" license often gets issued to dealers that do not meet the zoning requirements of the city or county for the salvage industry. The counties and cities then have salvage operations doing business in areas for which they are not approved. The problem is that it then creates a court battle and expense for

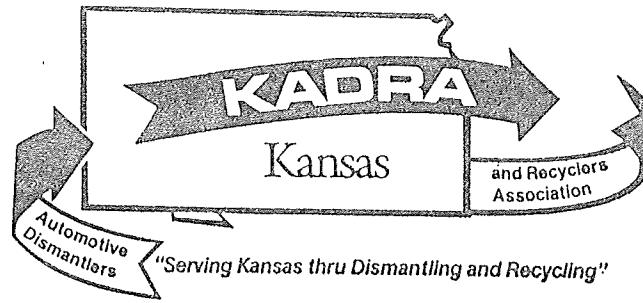
local government. It also creates a bad image for salvage dealers interested in promoting the industry.

By simply removing the words "*at wholesale*" in paragraph (gg) there is no longer a need for dual licensing. Salvage vehicle dealers will be able to be dealers who can sell at wholesale or retail if they wish. In essence, it will prevent the error and eliminate costs and problems for cities, counties and the State; and will put the industry into a posture for improvement through better disclosure and control where needed.

KADRA requests your favorable passage of Senate Bill 482. If you have any questions, I will be happy to try to address them.

Respectfully submitted,

Patricia M. Wiechman
Executive Secretary



HOUSE TRANSPORTATION COMMITTEE

March 13, 1990

Senate Bill No. 531

Mr. Chairman, Members of the Committee:

I am Pat Wiechman, executive secretary for the Kansas Automotive Dismantlers and Recyclers Association.

Senate Bill 531 was requested by our Association in an attempt to address a long standing problem that is growing by the minute, that of junk vehicles that have been disposed-of on city streets, on county roads, in pastures and in back yards. Several of the inspectors for the Department have expressed their concern for proper documentation of ownership for these vehicles.

In most cases, these vehicles are at least ten model years or older and the owners, if the owners can be found, have misplaced the titles and have no desire to exert time, effort or money to obtain duplicate titles. Or, the owners may have

surrendered the title at some time as "JUNK" and another title cannot be obtained.

The result is that the owner sells the vehicle, without title, to persons not licensed as dealers or abandons the vehicle. There is an overwhelming abundance of such vehicles clogging Kansas landscape with no way to economically or expeditiously remedy the situation. The attempt to handle these vehicles, after the owner abandons, is a costly burden to our cities and counties. Additionally, the State continues to carry these vehicles in the computer records. SB 531 is a simple alternative to the "title hassel."

SB 531 would create a "*transfer certificate*" that would be printed on "secure paper" and only be used to transfer ownership of a motor vehicle 10 or more model years of age from the owner of the vehicle to a licensed salvage vehicle dealer. When the transfer is completed it would have the same affect as surrendering the title as "junk" and no subsequent title could ever be issued; and the transfer certificate could not be used to transfer ownership.

Additionally, through SB 531 the language in K.S.A. 8-135 and 8-198 concerning junk titles would be stricken and new

language added to the statute as New Section 2 to address the junk title.

We have worked with the Department of Revenue, Division of Vehicles, since last summer in an attempt to address these problems. We have also worked with the highway patrol to refine the usage.

Basically, there are three scenarios. After the Application is forwarded to the Department, the Department would verify ownership and title status. If it is found that the title has previously been surrendered as "Junk", the Department would issue the transfer certificate and forward it to the salvage vehicle dealer. If it is found that a good title exists, the Department would issue a duplicate title and the transfer of ownership to the salvage vehicle dealer can then be completed. If it is found that there is a lien on the vehicle; or that the vehicle has been sold by someone other than the person that appears on the face of the title; or that no record of the vehicle exists in Kansas, the salvage vehicle dealer would be granted a possessory lien. Thereafter, the dealer would follow existing procedure already established by statute for tow truck operators who have a similar possessory lien.

SB 531 also makes provision for the Department to fund this effort by charging a fee not to exceed that of an original title fee for each transfer certificate issued to a salvage vehicle dealer.

KADRA requests your favorable passage of Senate Bill 531.

I will be happy to try to answer any questions you may have.

Respectfully submitted,

Patricia M. Wiechman
Executive Secretary