

Approved 2-18-92
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 12, 1992 in room 254-E of the Capitol.

All members were present ~~except~~:

Committee staff present:

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

Conferees appearing before the committee:

Dedra Boling, Administrator, Kansas Department of Revenue
Betty McBride, Director, Division of Vehicles, Department of Revenue
Charles Nicolay, Kansas Oil Marketers Association
Tom Whitaker, Kansas Motor Carriers Association

Hearing and Action on S.B. 549 - Establishing the international fuel tax agreement.

Dedra Boling, Department of Revenue, said this bill would create an International Fuel Tax Agreement Clearing Fund. All amounts collected under IFTA would be remitted daily to the State Treasurer for deposit in the clearing fund. If a clearing fund is not established the Department would be required to disburse taxes from Kansas based carriers that are due and owing to other jurisdictions through negative transfers from the State Freeway, State Highway and Special City and County Highway Funds. A copy of her statement is attached. (Attachment 1).

A motion was made by Sen. Hayden to recommend S.B. 549 favorably for passage. Motion was seconded by Sen. Rock. Motion carried.

Hearing and Action on S.B. 551 - Motor-fuel tax, special fuel taxation.

Dedra Boling, Department of Revenue, said this bill would change the point of taxation on special fuels from the retail/user level to the wholesale/distributor level by amending the motor vehicle statutes and repealing special fuel statutes. Changing the point of taxation to the distributor/wholesale level provides a clearer, more direct paper trail for audits. It is estimated that passage of this bill would increase highway funds by roughly \$7.3 million in FY 94. A copy of her statement is attached. (Attachment 2).

Charles Nicolay, Kansas Oil Marketers, said they would have the responsibility for collection and they support the bill. He said the Department of Revenue has had problems in collecting taxes because of the paper trail. He said he did not know if the figures given by Ms. Boling were correct. It was difficult for them to come up with figures, but the amount was probably substantial.

Tom Whitaker, Kansas Motor Carriers Association, said they did not oppose the bill.

Bruce Kinzie, Revisor had some technical amendments to the bill. A motion was made by Sen. Hayden to adopt the technical amendments. Motion was seconded by Sen. Thiessen. Motion carried.

A motion was made by Sen. Sallee to recommend S.B. 551, as amended favorably for passage. Motion was seconded by Sen. Rock. Motion carried.

Hearing and Action on S.B. 550 - Accessible parking, temporary placards, fees.

Betty McBride, Department of Revenue, said recent changes in federal regulations on handicapped placards and handicapped parking-changes that standardize handicapped

placards and the definition of "persons with disabilities" also require amendments to Kansas statutes. It would just bring Kansas into conformity with federal guidelines. The bill would also authorize County Treasurers to collect a \$2.25 service fee. (Att. 3).

The Revisor pointed out that the definition of a "person with a disability" does not appear in the bill. This had inadvertently been left out. A motion was made by Sen. Rock to amend the definition into the bill. Motion was seconded by Sen. Sallee. Motion carried.

A motion was made by Sen. Sallee to recommend S.B. 550, as amended, favorably for passage. Motion was seconded by Sen. Kerr. Motion carried.

Action on S.B. 522 - Driver licenses, concerning seizure disorders.

The Chairman said Chip Wheelen, Kansas Medical Society, had an amendment to the bill dealing with physician liability. The amendment was agreed to by all interested parties. Copy of the proposed amendment is attached. (Attachment 4).

A motion was made by Sen. Rock to adopt the proposed amendment. Motion was seconded by Sen. Vidricksen. Motion carried.

A motion was made by Sen. Hayden to recommend S.B. 522, as amended, favorably for passage. Motion was seconded by Sen. Thiessen. Motion carried.

The committee discussed introducing a motorcycle helmet bill. Some felt it would save lives and medical costs. A motion was made by Sen. F. Kerr to introduce a motorcycle helmet bill to comply with federal regulations. Motion was seconded by Sen. Rock. Motion carried.

A motion was made by Sen. Sallee to approve the Minutes of January 29, 1992 and February 5, 1992. Motion was seconded by Sen. Hayden. Motion carried.

Meeting was adjourned at 10:00 a.m. Next meeting February 18, 1992.

SENATE TRANSPORTATION AND UTILITIES COMMITTEE

Date 2-12-92 Place 254-E Time 9:02

GUEST LIST

NAME	ADDRESS	ORGANIZATION
DON LARLIE		KCC
Lee Eisenhauer	Topeka	KLPGA
Tom Whitaker	Topeka	Ks Motor Carriers Assn
Betty McBride	Topeka	Dept of Revenue
Dedra Boling	Topeka	Dept of Revenue
Rick Scheibe	Topeka	KDOR
Nancy Regina	Topeka	KDOR
Jack June	Topeka	KCC
MARVIN STEES	Topeka	CAPITAL City Oil
Charley Hickey	Topeka	KOMA
Doborn Phillips	Topeka	KSBA
Mary Ann [unclear]	Lawrence	Intern/Vickickson
Jim Cooper	St. Louis	QuikTRIP

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Department of Revenue
Division of Taxation

MEMORANDUM

TO: The Honorable Bill Morris, Chairman
Senate Transportation Committee

From: Dedra Boling, Administrator
Kansas Department of Revenue

DATE: February 12, 1992

Subject: Senate Bill 549

The Department of Revenue respectfully requests the Senate Transportation Committee's favorable response to Senate Bill 549.

Senate Bill 549 creates an International Fuel Tax Agreement Clearing Fund. Under the provisions of this bill, all amounts collected under the International Fuel Tax Agreement would be remitted daily to the State Treasurer for deposit in the clearing fund. Payments to other states and refunds for overpayment of tax would be made by the Department from this fund. The fund would be reconciled monthly, with balances remitted as the current interstate motor fuel tax collection.

If K.S.A. 79-34,126 is not amended to provide for a clearing fund, the Department would be required to disburse taxes from Kansas based carriers that are due and owing to other IFTA jurisdictions, as well as refunds, through negative transfers from the State Freeway, State Highway and Special City and County Highway Funds. This would be most difficult after the quarterly distribution payment has been made and disbursed to cities and counties from the Special City and County Highway Fund.

It is roughly estimated that an average of about \$68,000 a month could be placed into the IFTA Clearing Fund in Fiscal Year 1992 from Kansas-based carriers.

Att. 1
T&U
2-12-92

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Department of Revenue
Division of Taxation

MEMORANDUM

TO: The Honorable Bill Morris, Chairman
Senate Transportation Committee

From: Dedra Boling, Administrator
Kansas Department of Revenue

DATE: February 12, 1992

Subject: Senate Bill 551

The Department of Revenue respectfully requests the Transportation Committee's favorable response to Senate Bill 551. This Bill as introduced proposes to change the point of taxation on special fuels from the retail/user level to the wholesale/distributor level by amending the motor vehicle statutes and repealing special fuel statutes. It provides for an exemption permit for persons using fuel for non-highway purposes and amends the refund statutes to include special fuels. The bill also amends K.S.A. 79-34,108 to bring the definition of a qualified motor vehicle under the interstate motor fuel use act in line with the requirements of the International Fuel Tax Agreement.

In 1987 the federal government changed the point of collection for diesel tax from the user/retail level to the distributor/wholesale level. In June 1990, following an audit of the Department's motor fuel reporting system, the Federal Highway Administration representatives recommended that the Department change the state's point of collection for special fuel tax. Changing the point of taxation to the distributor/wholesale level provides a clearer, more direct paper trail for audits. The Department would be able to trace each load of special fuel from the pipeline terminal and refineries to actual point of taxation to insure all appropriate taxes are remitted. Exchange of information with other states on fuel imported into Kansas and exported from Kansas would be adjusted to include special fuels.

It is estimated that passage of this bill would increase highway funds by roughly \$7.3 million in Fiscal Year 1994. This estimate is based on the experience of the state of Missouri, where the point of collection on special fuel was changed to the distributor/wholesale level on January 1, 1989. For the first year (CY 1989), the after-refund gross collections increased \$21.8 million, or 33%, over calendar year 1988. Missouri attributes the total gain to the change of collection point. As you can see, this is an excellent way to increase state revenue without raising taxes per se.

Total costs to the Department to enact this bill is estimated at \$4,577 in one-time expense and \$3,733 in annual expense in Fiscal Year 1993; and an estimated \$22,400 in annual expense in Fiscal Year 1994. A detailed cost sheet is attached.

Att. 2
T&U
2-12-92

Kansas Department of Revenue

Senate Bill 551
Effective July 1, 1993
Annual Expenses

	FY 1993	FY 1994
A. Operating Expenses		
1 Salaries and Wages		
(1) Tax Examiner II, Motor Fuel, Range 15, 2 months @ \$22,400	\$3,733	\$22,400
(2) Job Titles, @ Yearly Rate, Bureau		
Total Salaries and Wages	\$3,733	\$22,400
Total Operating Expenses	\$3,733	\$22,400
Total Annual Expenses	\$3,733	\$22,400

One-Time Expenses

	FY 1993	FY1994
A. Operating Expenses		
1 Salaries and Wages		
(1) Computer Analyst III, R-27, 6 days @ \$148/day	\$888.00	
(1) Programmer III, R-25, 15 days @ \$135/day	\$2,025.00	
(1) CICS Programmer, R-25, 3 days @ \$135/day	\$405.00	
Total Salaries and Wages	\$3,318.00	
Total Operating Expenses	\$3,318.00	\$0.00
B. Other Operating Expenses		
1 Contractual Services		
DISC, compile and test, .25 hours @ \$2285/hour	\$571.25	
Total Contractual Services	\$571.25	\$0.00
3 Capital Outlay		
(1) Desk, Executive, Motor Fuel	\$450.00 each	\$450.00
(1) Chair, Steno Posture, Ergonomic, Motor Fuel	\$150.00 each	\$150.00
(1) Calculator, 12 column, Motor Fuel	\$88.00 each	\$88.00
Total Capital Outlay	\$688.00	\$0.00
Total Other Operating Expenses	\$1,259.25	\$0.00
Total One-Time Expenses	\$4,577.25	\$0.00
Total Annual and One-Time Expenses	\$8,310.58	\$22,400.00

STATE OF KANSAS

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Department of Revenue
Division of Vehicles

To: Senate Committee on Transportation and Utilities
From: Betty McBride, Director of the Division of Vehicles
Kansas Department of Revenue
Date: February 12, 1992
Subject: **Senate Bill 550**

Mr. Chairman, Members of the Committee,

My name is Betty McBride. I am the Director of the Division of Vehicles, and I appear before you on behalf of the Kansas Department of Revenue regarding Senate Bill 550.

Recent changes in federal regulations on handicapped placards and handicapped parking-changes that standardize handicapped placards and the definition of "persons with disabilities", also require amendments to Kansas statutes. Because the regulations will be the same for all states, it will be easier for law enforcement to recognize and grant reciprocal handicapped parking privileges.

This bill also authorizes County Treasurers to collect a \$2.25 service fee. This is a uniform service fee collected by County Treasurers on other related vehicle transactions.

The changes are twofold: First, the color of both temporary and permanent placards will change and will be the same nationwide. Permanent placards will be white on blue. Temporary placards will be white on red. Second the definition of persons with disabilities has been expanded to include not only specific diseases, but also the degree of severity. For your convenience, I have enclosed copies of the new federal regulations outlining the changes asked for in Senate Bill 550. Passage of Senate Bill 550 will bring Kansas into compliance with Federal guidelines and

requirements of 23 CFR part 1235 of the Uniform System For Handicapped Parking.

I ask the committee to pass favorably on this bill.

PAR. 1235-UNIFORM SYSTEM FOR PARKING FOR PERSONS WITH DISABILITIES

Sec.

- 1235.1 Purpose.
- 1235.2 Definitions.
- 1235.3 Special license plates.
- 1235.4 Removable windshield placards.
- 1235.5 Temporary removable windshield placards.
- 1235.6 Parking.
- 1235.7 Parking space design, construction and designation.
- 1235.8 Reciprocity

Appendix A-Sample Removable Windshield Placard

Appendix B-Sample Temporary Removable Windshield Placard

Authority: Pub. L. 100-641, 102 Stat. 3335 (1988); 23 U.S.C. 101(a), 104, 105, 109(d), 114(a), 135, 217, 307, 315, and 402(a); 23 CFR 1.32 and 1204.4; and 49 CFR 1.48(b).

§ 1235.1 Purpose.

The purpose of this part is to provide guidelines to States for the establishment of a uniform system for handicapped parking for persons with disabilities to enhance access and the safety of persons with disabilities which limit or impairs the ability to walk.

§ 1235.2 Definitions

Terms used in this part are defined as follows:

(a) *International Symbol of Access* means the symbol adopted by Rehabilitation International in 1969 at its Eleventh World Congress on Rehabilitation of the Disabled.

(b) *Persons with disabilities which limit or impair the ability to walk* means persons who, as determined by a licensed physician:

- (1) Cannot walk two hundred feet without stopping to rest; or,
- (2) Cannot walk without the use of, or assistance from, a brace, cane, crutch, another person, prosthetic device, wheelchair, or other assistive devices; or,

- (3) Are restricted by lung disease to such an extent that the person's forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one liter, or the arterial oxygen tension is less than sixty mm/hg on room air at rest; or,
- (4) Use portable oxygen; or,
- (5) Have a cardiac condition to the extent that the person's functional limitations are classified in severity as Class III or Class IV according to standard set by the American Heart Association; or,
- (6) Are severely limited in their ability to walk due to an arthritic, neurological, or orthopedic condition.

(c) *Special license plate* means a license plate that displays the International Symbol of Access:

- (1) In a color that contrasts to the background, and
- (2) In the same size as the letters and/or numbers on the plate.

(d) *Removable windshield placard* means a two-sided, hanger-style placard which includes on each side:

- (1) The International Symbol of Access, which is at least three inches in height, centered on the placard, and is white on a blue shield;
- (2) An identification number;
- (3) A date of expiration; and
- (4) The seal or other identification of the issuing authority.

(e) *Temporary removable windshield placard* means a two-sided, hanger-style placard which includes on each side:

- (1) The International Symbol of Access, which is at least three inches in height, centered on the placard, and is white on a red shield;
- (2) An identification number;
- (3) A date of expiration; and
- (4) The seal or other identification of the issuing authority.

§ 1235.3 Special license plates.

(a) Upon application of a person with a disability which limits or impairs the ability to walk, each State shall issue special license plates for the vehicle which is registered in the applicant's name. The initial application shall be accompanied by the certification of a licensed physician that the applicant meets the § 1235.2(b) definition of persons with disabilities which limit or impair the ability to walk. The issuance of a special license plate shall not preclude the issuance of a removable windshield placard.


Att. 3
(3-3)²⁻¹²⁻²

1 *eration of a motor vehicle by the licensee.* Restricted licenses issued
 2 pursuant to this subsection (e)(7) shall be subject to suspension or
 3 revocation as provided in subsection (a) of K.S.A. 8-237, and amend-
 4 ments thereto. *For the purpose of this paragraph, seizure disorders*
 5 *which are controlled means that the licensee has not sustained a*
 6 *seizure involving a loss of consciousness in the waking state within*
 7 *one year preceding the application or renewal of a driver's license*
 8 *or whenever the person's medical physician makes a written report*
 9 *to the division stating that the person's seizures are controlled by*
 10 *prescribed medication.*

(a person licensed to practice medicine and surgery
in this state
licensee's

11 Sec. 2. K.S.A. 8-247 is hereby repealed.
 12 Sec. 3. This act shall take effect and be in force from and after
 13 its publication in the statute book.

(Any physician who makes such report shall
not be liable for any damages which may
be attributable to the issuance or renewal
of a driver's license and subsequent operation
of a motor vehicle by the licensee.

Chip W. Steelen

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 2/6/92