

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE.

The meeting was called to order by Chairperson Gary K. Hayzlett at 1:40 p.m. on February 12, 1998 in Room 526-S of the Capitol.

All members were present except: Representative Vernon Correll
Representative Joe Humerickhouse
Representative Janice Pauls
Representative Sharon Schwartz

Committee staff present: Hank Avila, Legislative Research Department
Reed Holwegner, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
J. Patterson, Committee Secretary

Conferees appearing before the committee: Steve Woolington, Director of Operations, KDOT

HB 2760 - Authorizing secretary of transportation to pay for certain tools of employees.

The hearing was opened with testimony by proponent Steve Woolington, KDOT. KDOT mechanics are required to provide their own tools. **HB 2760** would expedite reimbursement to the employee if a theft has occurred and allow quick replacement of the tools or equipment. (Attachment 1)

Representative Shore questioned Mr. Woolington if the mechanics carry insurance on their tools. He responded that few if any have insurance due to the high cost of it.

There were no opponents and the hearing was closed.

HB 2736 - Time limit for removal of disabled vehicles.

Representative Dillon opened the hearing on the bill. He stated the bill is for a disabled vehicle to be removed by eight hours. Chairman Hayzlett voiced his concern about the time frame. There may be a problem for people who travel distances, (i.e. students, commuters), may not be able to get their vehicle removed in the allotted time. Representative Dillon responded that he originally thought that a vehicle now had to be removed in 24 hours when actually it's 48 hours. There can be more time allowed when the bill is worked.

There were no proponents or opponents and the hearing was closed.

HB 2737 - Taxation of aviation fuels, disposition thereof.

HB 2737 was worked by the committee. Representative McKinney pointed out that on page 3, line 5, the words "aviation gasoline" needed to be stricken from the bill.

Representative McKinney made a motion to make the change, Representative Shore seconded and the motion was carried.

Representative Shore made a motion to pass the bill favorably as amended, Representative Dillon seconded and the motion was carried.

Representative Thimesch mentioned the handout he had passed around and urged everyone to read it. (Attachment 2)

HB 2760 - Authorizing secretary of transportation to pay for certain tools of employees.

HB 2760 was the last bill to be worked.

Representative Dillon made a motion to pass favorably, Representative Howell seconded and the motion was

carried. There were no comments or questions.

The approval of the minutes for February 10 and 11. Representative Ray requested that the title of Betty McBride be corrected from KDOT to Department of Revenue.

Representative Dreher made a motion to approve the minutes as corrected, Representative Ray seconded and the motion was carried.

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

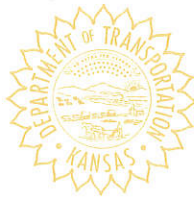
Others attending: See attached list

The next meeting is scheduled for February 16, 1998.

HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: 2-12-98

NAME	REPRESENTING
CORY RIEDL	intern (Hayzlett)
Ken Bahr	Ks. Governmental Consulting
Delend Shore	Rep. Shore
Mr. & Mrs. Ken Henriksen	N/A
Lorkey McBoo	Mid-America Nazarene Univ. - KSNA
MICHAEL JAWID	Mid-America Nazarene Univ. - KSNA
Andrea Chapman	
Martin Hawver	Hawver's Capitol Report
Brook Roberts	KWSA
Rachel Rempel	KSNA
Jamie K. Cheatum	HAMILTON County Commission
Max Seacat	
Betty White	KDOR
Rich Scheike	KDOR
Tom WHITAKER	Ks MOTOR CARRIERS ASSN
Allisande G. Croff	KSNA / W.U. School of Mng.
Don Cawley	DOR



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Bill Graves
Governor of Kansas

TESTIMONY BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION

Regarding House Bill No. 2760

Authorizing the Secretary of Transportation to Pay Employees for the Theft of Certain
Tools or Equipment

February 12, 1998

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to provide testimony on House Bill 2760. I am Steve Woolington, Director of Operations for the Kansas Department of Transportation. This bill would authorize the Secretary of Transportation to reimburse KDOT employees for losses incurred from the theft of certain tools or equipment when taken from a Department facility or vehicle. This revised procedure of reimbursement from the Highway Fund would replace the current process of submitting claims to the Joint Committee on Special Claims Against the State.

KDOT employs mechanics at six District and 26 Area shop facilities as well as a Geology Shop facility. Consistent with the long-standing industry standard, KDOT requires mechanics to provide their own tools. The value of tools owned by KDOT mechanics is substantial and ranges in value due to many variables including the value of tools the employee brought to his KDOT employment; tools needed at a particular job location; as well as the cost of the tool case, which can vary significantly depending on its size and mobility. KDOT does not have a standardized list of tools, however mechanics are required to maintain a current inventory of tools they have on-site. These inventories are verified and signed by the employee's supervisor. All tools are kept in locked facilities and in many cases are kept in a secured area within the facility.

Periodically, a theft of tools or equipment occurs. These thefts have been due to break-ins. KDOT currently reimburses employees for theft of tools up to \$1,000. If the loss exceeds \$1,000, KDOT must submit the claim to the Joint Committee on Special Claims Against the State for approval. This procedure delays reimbursement to employees, especially if the loss occurs during the months the legislature is not in session.

House Transportation
2-12-98
Attachment 1

KDOT has investigated the possibility of providing tools for the mechanics to use, however this is cost prohibitive. K.S.A. 75-4101 currently prohibits the agency from purchasing insurance to cover these types of losses. KDOT has not required mechanics to insure their tools because at their salary level, it would be a significant burden.

House Bill 2760 would authorize the Secretary to reimburse an employee for tools or equipment taken from a KDOT facility or vehicle. Reimbursement would only be allowed in circumstances where the department or supervisor required the employee to furnish the tools or equipment as a condition of employment. No payment would be allowed if the Secretary determines employee negligence was the primary cause of the loss. If the theft was covered by the employee's insurance, KDOT would only pay the deductible amount.

This bill will expedite reimbursement to the employee and allow quick replacement of the tools or equipment. This is needed to ensure KDOT employees are adequately equipped to do their work.

From: Rep Laura McClure (2/11/98)
To: Sally Geelan

[1]Airport Rescue background

2/11/98 5:43 PM

Forwarded mail...

Date: 2/11/98 7:09 PM
From: William Hamilton
TO: Representatives McKinney, Thimesch, McClure, James Stevens and other
supporers of HB 2737:

Attached is some background information which may be helpful. It was sent to Patrick J. Hurley of Economics Lifelines at his request so he could brief his board members on what we were then proposing.

HB 2737 is a better approach.

Because this is e:mail the enclosure are omitted. Also, AOPA membership in KS is now over 4,800.

To update what Congress did: user fees were defeated and the Congress appropriated over \$1.7B for airport improvements. Most of that is 90 percent money which KS communities cannot access unless they can put up the full ten-percent match.

But if the \$700,000 in HB 2737 were put into federal AIP eligible projects, KS could get \$7,000,000 out of the federal aviation trust fund.

Meanwhile, I have asked AOPA Hqs to honor your request to try to get our members in KS to write to Governor Graves. Let's stay in touch. Bill Hamilton

AOPA CENTRAL REGION

Serving General Aviation in:

Colorado, the Dakotas, Kansas, Nebraska and Wyoming

170 Lake Side Lane, Sunnyside Park, Lake Granby

Mailing Address: P.O. Box 3499, Winter Park, CO 80482

Fax/phone: (970) 887-2101

AOPA CENTRAL REGION FAX GRAM

TO: Mr. Patrick J. Hurley
Economic Lifelines

House Transportation
2-12-98
Attachment 2

FROM: Bill Hamilton

Phone/Fax/Message: 970-887-2101

e:mail bill.hamilton@aopa.org or

75401.2152@compuserve.com

DATE: June 9, 1997

SUBJECT: Kansas General Aviation Airport Rescue

Thank you for taking the time to talk with me on the phone last week.

This fax is in response to your desire to have solid information about our proposal to do something to start along the path of addressing the concerns raised in the Kansas State University study entitled: "The Economic Impact of General Aviation Airport Deterioration on Kansas Communities."

Trying to anticipate the questions your board of directors might have, I have put this information in a question and answer format.

1. Q: What is the Aircraft Owners and Pilots Association (AOPA)?

A: With over 342,000 members, AOPA is the world's largest general aviation support organization. Over 50 percent of Americans with a pilot certificate belong to AOPA. Among active pilots our penetration is over 75 percent.

2. Q: How many Kansans belong to AOPA?

2-2

A: As of last week, 4,715 Kansans belong to AOPA.

3. Q: What is the demographic profile of AOPA members?

A. Ninety-five percent of our members are male. Our average member is 47 years-old with a household income of over \$100,000 and a net worth of over \$462,000.

Eighty-eight percent have a college degree or a graduate degree. Seventy-four percent are married with children.

4. Q: Are AOPA members active politically?

A: In the last presidential election 92 percent of AOPA members voted versus 55 percent of the general population. In the most recent mid-term, off-year elections, 87 percent of AOPA members voted versus 38 percent of the general public.

5. Q: Why does AOPA care about the deterioration of Kansas general aviation airports?

A: Because the mission of AOPA is basically threefold:

-- To make sure our members have aircraft to fly,

-- have safe airspace in which to fly and

-- have airports which are safe to use.

6. Q: What kind of track record does AOPA have with regard to these missions?

A: Ask the CEO of any of the aircraft manufacturing firms in Kansas about the recently enacted General Aviation Revitalization Act and any of them will tell you about the key role played by AOPA in the passage of this legislation. That is the bill which prompted Cessna to build a new, single-engine aircraft production facility in Independence, Kansas. AOPA purchased the first brand-new Cessna 172 and Cessna 182 off the production lines.

With regard to airspace, AOPA works hand-in-hand with the Federal Aviation Administration to improve the safety and efficiency of America's airspace.

Turning to airports, AOPA has an entire staff section plus 12 regional representatives deployed around the nation who monitor airport issues and develop strategies to protect airports from encroachment and to monitor their safety and operations. Recently, AOPA was instrumental in preventing the closure of Chicago's Meigs Field, San Jose's Reid-Hillview Airport, Atlantic City's Bader Field and, just recently, AOPA testified before the Arapahoe County Board and won a 5-0 decision to prevent the construction of 1,064 high-density housing units near the north end of Denver Centennial Airport's main north/south runway.

7. Q: Why all this attention to the general aviation airports in Kansas at this time?

A: AOPA has been monitoring the deterioration of Kansas airports for the last ten years. That's the time I've been the regional representative responsible to our members in Kansas, North Dakota, South Dakota, Nebraska, Wyoming and Colorado -- where we now live.

Prior to the Finney Administration, when Mr. George Boyd was aviation director, we were helping Mr. Boyd develop a plan to fund an aviation trust fund along the lines of the trust funds in place in the states surrounding Kansas -- most notably Nebraska. But when the aviation office became politicized, we backed off. With the advent of the Graves Administration, we gained hope. In fact, based on a speech by Governor Graves in the Fall of 1996, we felt almost certain \$500,000 would be placed in the KDOT budget, and consequently, into the Public Use General Aviation Airport Development Fund for airport rescue.

Another element driving the effort to rescue Kansas deteriorating general aviation airports is the abovementioned study by Kansas State University. Prior to that study, all we had were "horror-story" reports from our members concerning Kansas runways causing damage to their landing gear and to propellers.

We are hopeful that Governor Graves and Lt. Governor Sherrer, the latter with whom AOPA President Phil Boyer visited in Topeka in February of this year, are sincere in their desire to arrest a true "pay-me-now or pay-me-a-lot-more-later" situation. A recent newspaper article indicates Lt. Governor Sherrer understands the

gravity of the general aviation airport deterioration problem. A copy is attached.

Bottom line: We think the pilots of Kansas and the many businesses that use airports and/or benefit therefrom are ready to move forward to begin the general aviation restoration process. Truly, some general aviation airports are in extremis: either repair very soon or forget about those communities having general aviation access to our national air transportation system.

8. Q: What is AOPA proposing?

A: On behalf of our 4,715 Kansas members and on behalf of all who have an interest in general aviation, either for business or pleasure, we hoping to see the next session of the Kansas legislature appropriate \$1 million for an airport rescue demonstration project.

9. Q: If the need is so great, why only \$1 million?

A: Experience in other states has shown that a state aviation office needs to build experience in the administration of these grants-in-aid. The Kansas Division of Aviation, while blessed with an outstanding staff, needs to start small and work up toward a comprehensive general aviation grant program which will, eventually, get Kansas back up to par with the other 49 states.

10. Q: How far is Kansas behind the other 49 states?

A: It's embarrassing to say; however, Kansas, the "Aviation Capital" ranks dead last in state support for

general aviation airports.

11: Q: What is meant by "state support."

A: Whenever a pilot buys fuel for an aircraft, be it flying for business or pleasure, he or she pays either fuel or sales tax, sometimes both, on that fuel. Most states put the tax revenues those pilots pay for their fuel into a state aviation trust fund. So, when we speak of "state support" we are, in most states, talking about pilots supporting airports with their own tax dollars, not someone else's.

12: Q: What happens in Kansas?

A: Pilots pay a sales tax on their fuel purchases which goes into the general fund.

13: Q: Is AOPA proposing that Kansas create an aviation fuel tax and/or earmark the fuel sales taxes for the aviation trust fund?

A: Where the money comes from is for the people of Kansas to decide. We just know that, without funding, Kansas general aviation airports will fall farther and farther behind the rest of the nation.

14: Q: Is it true that other states, to include ALL of the states surrounding Kansas, have greater access to the Federal Airports and Airways Trust Fund than does Kansas?

A: Unfortunately, that is true. Whenever Kansans fly

on an airliner, they pay a ten-percent ticket tax which goes into the federal aviation trust fund. And whenever Kansas pilots fuel their aircraft, they pay a federal aviation fuel excise tax which goes into the federal aviation trust fund.

But states with active aviation trust funds are better able to leverage dollars out of the federal aviation trust fund than Kansas. This is because federal aviation trust fund dollars for runway construction, taxiway construction and overall capacity construction are awarded to the states on a 90-10 matching basis. Ninety percent of an eligible project can be funded from the federal aviation trust fund provided the airport sponsor (usually a city or county) can provide a ten-percent match.

The majority of states do it this way: the FAA puts up 90 percent, the state contributes five percent from its aviation trust fund and the airport sponsor puts up five percent.

Because Kansas, currently, has no way to participate in the federal aviation trust fund matching-grant process (unless the local airport sponsor can come up with the entire ten-percent match) millions of federal aviation trust fund dollars have gone to other states which, routinely, use the 90/5/5 method described above. Frankly, anyone who lives in Kansas, buys airline tickets and/or buys aviation fuel, ought to be mad as hell. They are not getting their fair share of the taxes they are paying into the federal aviation trust fund.

of funding airport construction and maintenance?

A: Not likely. This Fall look for Congress to reject the quest by the big-seven airlines to go to a "user-fee" system. Congress sees their proposal for what it is: an attempt by these seven airlines to kill off their low-cost competition. The current system is a true "user-fee" system because the more you use your aircraft the more fuel tax you pay. The more you fly the airlines the more of that ten-percent ticket tax you pay. Also, the collection system is highly efficient. The federal aviation excise tax on fuel is collected at the producer level. The ticket tax is collected by the air carriers. Only 27 IRS agents are needed to oversee a system which brings in billions of dollars each year.

16: Q: If Economic Lifelines supports this Airport Rescue Coalition effort, won't that diminish the chances for a large, comprehensive highway construction program down the line?

A: AOPA does not see transportation as zero-sum game. Based on their demographics, it is evident that AOPA members have a vested interest in their communities and their state. As home and business owners, AOPA members understand the vital importance of a healthy ground and air transportation infrastructure. Historically, AOPA members have been supportive of government initiatives and taxation directed at improving America's transportation network. While it is impossible to predict how individual AOPA members will vote on a given issue, it stands to reason the majority of AOPA members would support a

comprehensive, multi-modal transportation initiative.

17. Q: But if the 1998 legislature provides \$1 million for an airport rescue demonstration project, will AOPA and the general aviation community still be interested in helping Economic Lifelines with a much larger multi-modal transportation project beyond 1998?

A: Absolutely! The proposed \$1 million demonstration project is just a drop in the bucket compared to the magnitude of stopping general aviation airport deterioration across Kansas and beginning to make some progress toward badly needed airport improvements.

18. Q: Of what benefit is this proposed demonstration project to the members of Economic Lifelines?

A: If you think about it, airport runways and taxiways are just short stretches of highway. They require the same machines, materials and labor required in highway construction. Runways are somewhat wider ranging from 75 feet to 150 feet in width. Taxiways are analogous to highway off- and on-ramps. Only they are bordered with blue lights. Runways are bordered with white lights. Other than that, they are really no different than highway construction.

Moreover, it appears there will be a gap between the just-completed major highway construction program and the advent of the proposed multi-modal transportation construction program. While it is only \$1 million, the proposed airports demonstration project will provide some work for highway contractors who might be otherwise

underemployed.

Hopefully, the above is responsive to the questions you raised in our telephone conversation.

Under separate cover, you will receive a copy of AOPA Pilot, the magazine of our association. With over 342,000 paid subscribers, it is the world's most read aviation magazine bar none. While Flying Magazine is also an excellent publication, it runs a poor second in terms of circulation. Because of the high income and education level of AOPA members, advertisers pay over \$10,000 for a full-page Ad in our magazine. Indeed, our magazine nets over \$4 million in annual revenues. Moreover, because of the magazine income and a variety of goods and services purchased from AOPA, we have been able to keep our dues at \$39.00 per year for the last seven years. No other major membership association has been able to do that.

Even though this presentation of the bona fides of AOPA has required me to brag a bit about AOPA, let me assure you, in the end, we are not a credit-taking organization. We've tried that in the past and it is counter-productive. Over the 58 years we have been in business, AOPA has learned to work through local pilot organizations such as the Kansas Pilots Association and the Kansas Association of Airports and others. Indeed, we have already compiled a list of aviation or aviation-related organizations and businesses domiciled in Kansas with whom we intend to work. This list is Annex A of the K-ARC plan:

"Annex A: Preliminary List of Potential K-ARC Members

(Those specifically identified are followed by their initials.)

Kansas Pilots Association (KPA)

Kansas Association of Airports (KAA)

Experimental Aircraft Association (EAA)

Aircraft Owners and Pilots Association (AOPA)

U.S. Pilots Association (USPA)

General Aviation Aircraft Manufacturers (GAMA)

Civil Air Patrol (C.A.P.)

National Air Transport Association (NATA)

National Business Aircraft Association (NBAA)

Kansas Chamber of Commerce and Industry (KCCI)

National Association of State Aviation Officials (NASAO)

General Aviation 2000 (GA 2000)

Kansas Flying Farmers and Ranchers (KFF&R)

Economic Lifelines (EL)

Kansas Association of Counties and Municipalities

Local Chambers of Commerce

Avionics Manufacturers

Avionics shops

Engine overhaul shops

Aviation fuel distributors

Specific aircraft organizations: Bonanza Society, etc.

Banking Industry

Circuit Riding Physicians, Nurses and Medical Specialists

Air Ambulance Companies

Aircraft Insurance Companies

Life insurers of medical personnel

Funeral Directors

Farm Implement Parts Manufacturers

Law Enforcement Agencies

Overnight package and air freight companies
Airport tenants in airport industrial parks
Local airport support groups
Local airport sponsors (cities and counties)
Airport consulting engineers
Manufacturers of airport lighting and other equipment
Colleges and universities with aviation programs
Flight Instructors
Flight Schools
Businesses with flight detachments
Local economic development agencies
Aerial Applicators"

In Kansas, the economic impact of general aviation is \$271 million in annual economic activity, and \$88 million in annual earnings. In addition to personal property taxes collected from aircraft owners and operators, general aviation also pays a sales tax on aviation fuel, sales and use taxes on aircraft sales, leases parts and labor. Yet, none of these moneys are funneled back to aviation for maintenance of the state airport infrastructure.

Finally, who are AOPA's regional representatives and why are they so motivated to rescue airports and render other member services?

Most of us are retired military and/or retired from other professional endeavors. Essentially, that permits us to work almost full-time for AOPA. We do get a very limited budget for travel and per diem which is never enough to meet the challenges we face. When that's gone, we reach into our own pockets.

Our motivation comes from a love of general aviation and a sincere desire to see it grow. We're all high-time pilots with a strong sense of community involvement. In my case, I'm the former chairman of the Nebraska Aeronautics Commission, former chairman of the Nebraska State Airline Commission and, currently, a member of the Colorado Aeronautical Board. Moreover, prior to the Finney Administration, I served for four years as a voting member of the Kansas State Aviation Advisory Council.

On June 20, 1997, I'm the luncheon speaker at the annual meeting of the Kansas Association of Airports meeting in Hutchinson. I've been asked to outline the state aviation programs in the states surrounding Kansas. If you or one of you members can attend, I'm sure the KAA would be delighted. At that time, we plan to hold another meeting of the K-ARC steering committee.

Any feedback from your board prior to my speech would be greatly appreciated.

Thank you for inviting this response from AOPA. Sorry to be so long, but your organization is so important to what K-ARC is proposing that I felt this is the time to you our best information shot.

Encls:

Newspaper article quoting Lt. Governor Sherrer
Under separate cover: Recent AOPA Pilot magazine

□

RFC-822 Header:

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Received: from arl-img-2.compuserve.com by ink.ink.org id aa06258;
11 Feb 98 16:45 CST

Received: (from root@localhost)

by arl-img-2.compuserve.com (8.8.6/8.8.6/2.10) id RAA01889;

Wed, 11 Feb 1998 17:43:41 -0500 (EST)

Date: Wed, 11 Feb 1998 17:43:03 -0500

From: William Hamilton <BPHamilton@compuserve.com>

Subject: Airport Rescue background

Sender: William Hamilton <BPHamilton@compuserve.com>

To: "Rep. Laura McClure" <LMCCLURE@ink.org>

Cc: James Stevens <jstevens@sound.net>

Message-ID: <199802111743_MC2-32EB-FC98@compuserve.com>

MIME-Version: 1.0

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