

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND TOURISM

The meeting was called to order by Chairman Ben Vidricksen at 9:05 a.m. on February 24, 1998 in Room 254-E of the Capitol.

All members were present except:

Committee staff present: Hank Avila, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Marian Holeman, Committee Secretary

Conferees appearing before the committee: Betty McBride, Director, Div. Of Vehicles
Larry Tucker, Reno Co. Treasurer
Tom Whitaker, KS Motor Carriers Assn.

Others attending: See attached list

The Chair announced that SB 417 has been returned to the committee. The bill as it was passed simply does not solve the problems it was meant to solve and there is not enough support to pass the bill on the floor of the Senate.

HB 2618: Certificates of title - fee fund sunset.

Betty McBride, Director, Division of Vehicles, Kansas Department of Transportation, spoke in support of HB 2618 which deals with the Vehicle Information Processing System (VIPS) and will enable the Division of Vehicles to provide counties the tools needed to provide needed customer services on a timely basis (Attachment 1). She advised her Division's computer system is in compliance with, and ready for, the year 2000.

Larry Tucker, Vice President Kansas County Treasurers Association from Reno County spoke to the committee on behalf of Eileen King, President of the Association, in support of HB 2618 to retain the funding for VIPS from title fees until 2003 (Attachment 2). He advised that Reno county handles over 80,000 transactions per year and their hardware is over ten years old. They have expensive maintenance contracts to keep systems running. However, they were down for two weeks last summer and it created chaos. They just spent \$140,000 to upgrade their mainframe to conform to what the state is asking for and to maintain other departments in the county. They do not have the funds to purchase the kind of hardware needed to comply with the state system and that is why they need the state's continued assistance.

Discussed the process of meeting state and county needs; advantages of state doing the assessment for counties as well as the counties using the state maintenance contracts. Highway patrol is in agreement with this bill and leaving the system the way it is. They met with the House Transportation Chairman to assure that there is no problem. Senator Tyson moved to recommend HB 2618 favorable for passage. Senator Harrington seconded the motion. Motion carried.

HB 2686: Apportioned fleet registration - permanent plates and cab cards.

Tom Whitaker, Director, Governmental Relations & Membership Services, Kansas Motor Carriers Association, requested support of HB 2686 (Attachment 3). He introduced Mike Kelly the Association's new executive director who replaced Mary Tarkington, and Dee Ann Williams, Director of their Truck Services Department who handles this type of regulation. He explained the "Apportioned Fleet Registration" process and associated regulatory fees for the trucking industry. The Division of Vehicles has no problem with the bill and support HB 2686 as it is proposed. The committee discussed the bill. Senator Salmans moved to recommend HB 2686 favorable for passage. Senator Goodwin seconded the motion. Motion carried.

CONTINUATION SHEET

MINUTES OF THE COMMITTEE ON TRANSPORTATION AND TOURISM, Room 254-E,
Statehouse, at 9:05 a.m. on February 24, 1998.

SB 167: Requiring alcohol and drug school to obtain drivers license.

Staff Revisor, Bruce Kinzie explained a proposed amendment to the bill which simply combines the two previously proposed balloons into one amendment and Senator Jordan proposed under line 19 to add language to include certain Social and Rehabilitation Services personnel as well as qualified school districts and non-public school. This should make the program much more accessible. A certified drug or alcohol abuse counselor is still required to provide this training. Senator Jordan moved to recommend the amendments favorable for passage. Members discussed this amendment and the fee requirement in the bill. Gene Johnson advised this easily could be worked out in local areas. Senator Tyson moved to amend in that schools, public and private, could designate a teacher to act as a substitute for the certified instructor. Members returned to the original motion to amend. Senator Gilstrap seconded the original motion. Ron Eisenbarth, Kansas Alcohol and Drug Abuse Council, advised the Regional Prevention Centers as designated by SRS cover the entire state and each center is responsible for a certain number of counties. These centers work very closely with school districts in their Regional Centers and already do alcohol and drug education. Therefore, the mechanism is in place to provide training under this bill. Andrew O'Donovan, Commissioner of Alcohol and Drug Abuse Services in SRS, advised there are thirteen Region Prevention Centers in the state with staff qualified to provide this training. Senator Jordan's motion carried to amend SB 167.

The Committee returned to Senator Tyson's proposed amendment. The schools will have to teach a "certified" curriculum and therefore the teacher would be teaching "certified" material. The other side of the argument is that this amendment changes the intent of the bill. This amendment would be inserted in line 25 to allow districts to designate the teacher to teach the certified program. Revisor advised this would require considerable rewording of other sections in the bill. Basically, this would move the training from an instructor who is certified to a program that is certified. There was no second to Senator Tyson's proposed amendment. The Chair advised that since this bill is important, work needs to be continued and necessary steps will be taken to provide time to work the bill.

The meeting adjourned at 10:10 a.m .

The next meeting is scheduled for February 25, 1998.

SENATE TRANSPORTATION AND TOURISM
COMMITTEE GUEST LIST

DATE: FEBRUARY 24, 1998

NAME	REPRESENTING
Amy LIGWITZ	XP
Danny Dunbar	Ks County Trunk Assn
Sally Pluhie	KDOR
Leslie Kaufman	Ks Farm Bureau
Gene Johnson	Ks ASAP Assn
Pin Eisenbath	KADACA
Alan Anderson	KDOR
Gary Carter	KDOR
Dorlene Mann	ABATE of KS
Bob Fraude	Ks Goo Consulting
Deniss Gros, Intern	Senator Huelskamp
Don Cawby	DOB
Tom Blasco	
Andrew O'Donovan	SRS.

Betty McBride, Director of Vehicles
 Kansas Department of Revenue
 915 SW Harrison St.
 Topeka, KS 66626-0001



(913) 296-3601
 FAX (913) 296-3852
 Hearing Impaired TTY (913) 296-3909

Division of Vehicles

MEMORANDUM

TO: Ben Vidricksen, Chairman
 Senate Transportation Committee

FROM: Betty McBride, Director
 Division of Vehicles

DATE: February 24, 1998

SUBJECT: House Bill 2618

Mr. Chairman, members of the Committee:

I am Betty McBride, Director of the Kansas Division of Vehicles. I appreciate the opportunity to appear before you today in support of House Bill 2618.

House Bill 2618, if passed, will postpone the June 30, 1998, sunset of the VIPS/CAMA Technology Hardware Fee Fund, established by the 1996 Legislature, to June 30, 2003. Deposit of \$1.00 for every title fee collected will continue to be credited to this fee fund and used by the Division of Vehicles for State/County hardware and software needs for the VIPS (Vehicle Information Processing System) system.

Background:

In 1987, the VIPS system was implemented by the State of Kansas in all 105 County Treasurer's Offices throughout the state. This system provides a computerized method for County Treasurers to process vehicle registrations and title applications, and allows collection of vehicle sales taxes from Kansas vehicle owners. Each county was provided a system 36 computer, terminals and printers, as tools to provide this service. Since implementation in 1987, the State had been unable to upgrade the computer systems, and was very limited in making software changes other than those mandated by the legislature. The system became outdated and many counties were required to purchase new and larger computer systems to meet their counties' needs. This created major problems for the State, when attempting to support four different computer systems to enable VIPS processing. In turn, this created problems for the County Treasurers who were not provided the tools needed to give quality county service to their citizens.

In 1996, the County Treasurers approached the legislature requesting funding for the Division of Vehicles so that county systems could be upgraded with uniform computers and needed software changes which had been on the State's "to do" list for quite some time. The Division had not had adequate staff or resources in the past to complete this effort. The Kansas legislature, recognizing the counties' needs, passed Senate Bill 662, which created the VIPS/CAMA Technology Hardware Fee Fund. The bill provided that \$1.15 for each title fee collected from July 1, 1996, through June

*Senate Transp. + Tourism
 2-24-98
 Attachment # 1*

30, 1997, be deposited to this fund. Beginning July 1, 1997, through June 30, 1999, that amount is reduced to \$1.00 for each title fee collected. The State issues approximately 800,000 titles annually; therefore, the \$1.00 title fee collected generates approximately \$800,000.00, which is credited to the Technology/Hardware Fee Fund.

Project Status:

VIPS II Phase I

During Phase I of the project, which began January 1, 1997, a hardware/software needs assessment was conducted in all 105 counties. All counties were upgraded to a uniform AS/400 platform, which has enabled the State to take advantage of the AS/400 functionality and its benefits. Forty seven (47) processors were installed in forty three (43) counties. The first phase was successfully completed on June 17, 1997, within the specified time and allocated budget.

VIPS II Phase II

Reimbursement has been completed to all counties purchasing AS/400 systems prior to this project.

On August 15, 1997, a contract was successfully negotiated and signed with Lockwood Company Inc., Atchison, Kansas, for updating the "top twenty" software enhancements identified by counties, to improve functionality and provide the County Treasurers the tools for greater efficiency in registering motor vehicles and in collecting taxes, by making county requested programming enhancements to the VIPS system. Vendors are on site and contract completion is expected September 1, 1998.

Future needs and requirements:

- * The Department is in the process of assessing the counties' peripheral equipment needs for old and worn items such as printers and terminals. Although a full, in-depth study is not completed at this time, the estimated cost for replacement of this equipment in county offices is \$2,099,928. This would be the next project phase.
- * Continued implementation of county requested enhancements would produce cost savings to the counties and State in reduced processing times and greater efficiencies.
- * It is estimated that the life-cycle of the current AS/400 systems implemented within the State and counties, will be five (5) to seven (7) years. By allowing the continuation of the VIPS/CAMA Technology Hardware Fund, the necessary funds will be available to keep the computer systems at their current level.

Expenditures from the VIPS/CAMA Technology Hardware Fee Fund are fully monitored and require annual budget approval. The fund is audited annually as required by statute.

Mr. Chairman, members of the Committee, I request your serious consideration for approval and passage of House Bill 2618, which will enable the Department to provide counties the tools needed to perform the state's motor vehicle function.

Thank you again for allowing me to appear today. I would stand for questions at this time.



KANSAS COUNTY TREASURERS' ASSOCIATION

1998
OFFICERS:

EILEEN KING
RILEY COUNTY
President

LARRY TUCKER
RENO COUNTY
Vice President

KATHY TREMONT
GEARY COUNTY
Secretary

DENA McDANIEL
ANDERSON COUNTY
Treasurer

TO: Ben Vidricksen, Chairman Senate Transportation and members of the
Senate Transportation Committee

FROM: Eileen King, ^{EK} President Kansas County Treasurers' Association

DATE: February 24, 1998

RE: House Bill 2618

Chairman Vidricksen and members of the committee. As President of the Kansas County Treasurers' Association, I have asked Vice President, Larry Tucker from Reno County to appear in support of HB2618 which retains the funding for the Vehicle Information Processing System (VIPS) from the title fees until 2003. This bill has the full support of the Kansas County Treasurers' Association and all 105 Counties in Kansas.

During the years when there was not adequate funding for VIPS, each county solved the problems in various ways, which lead to the state supporting their programs on 3 different systems. Now that the funding has allowed all counties to convert everything to the same technology of an AS400 mini-computer, we have had much better support from the state and we in turn have been able to give better service to our customers. There are numerous enhancements that would help us continue to give all customers the excellent service that the state would expects us to give.

The CRT terminals and printers that we use for processing the motor vehicle transactions are 10 years old and are past the life expectancy. Although the state pays for the maintenance on these devices, I know that it is expensive since the technology is so out-dated. With current technology and equipment, there would be a great cost savings in maintenance costs as well as an increase in productivity.

To assure that county computers and technology are kept current, we request passage of HB2618. It is important that these do not become outdated and we find ourselves in the reoccurring situation that we did a few years ago.

We appreciate the opportunity to appear before you in support of HS 2618 and would be happy to answer any questions that you may have.

*Senate Transp + Tourism
2-24-98
Attachment # 2*



KANSAS MOTOR CARRIERS ASSOCIATION

P.O. Box 1673 ■ Topeka, Kansas 66601-1673 ■ 2900 S. Topeka Blvd. ■ Topeka, Kansas 66611-212.
Telephone: 785.267.1641 ■ FAX: 785.266.6551 ■ e mail: kmca@kmca.org

"If you've got it, a truck driver brought it!"



DARRELL ROSE
Dillon Stores Company
President

MICHAEL J. MAIER, II
Consolidated Freightways
Chairman of the Board

LESLIE J. UNRUH
Unruh Grain, Inc.
First Vice President

JERRY ARENSDORF
Arensdorf Trucking, Inc.
Second Vice President

JOHN LAHTROP
Roadway Express
Treasurer

LARRY "DOC" CRUIQUI
Bailey Moving & Storage Co.
Corporate Secretary

HAROLD HESS
Magill Truck Line
ATA State Vice President

KELLY RECTOR
Wichita Southeast Kansas Transit
Alternate to ATA State Vice President

MIKE KELLEY
Executive Director

LEGISLATIVE TESTIMONY

by the

Kansas Motor Carriers Association

Supporting House Bill No. 2686

**Presented before the Senate Transportation & Tourism Committee
Senator Ben Vidricksen, Chairman
Tuesday, February 24, 1998**

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

My name is Tom Whitaker, director of governmental relations and membership services for the Kansas Motor Carriers Association. We appear here this afternoon representing our more than 1,350 member firms and the Kansas trucking industry. We ask for your support of H.B. 2686.

The bill provides for permanent license plates for vehicles operated by interstate motor carriers that utilize apportioned fleet registration, otherwise known as the International Registration Plan (IRP). Federal law required every state to be a participant in IRP by September 30, 1996. Kansas has apportioned interstate motor vehicles since 1978.

H.B. 2686 makes the following changes to Kansas law:

- Allows the Department of Revenue to issue permanent license plates to interstate motor carriers.

*Senate Transp & Tourism
2-24-98
Stalch #3*

3-1

- An annual apportioned registration cab card would be issued for all trucks and truck-tractors.
- A permanent apportioned registration cab card would be issued for the duration of the life span of the trailer.
- Allows the Director of Vehicles to require re-issuance of all apportioned base plates currently issued, should the need arise.
- Provides that fleet registration identification devices are not transferable from vehicle to vehicle.

Our industry operates vehicles across the nation, and physically changing license plates annually has become a logistical nightmare. We have worked closely with Betty McBride, director of vehicles, Kansas Department of Revenue, and Al Gerstner, bureau chief, Motor Carriers Services Bureau, to develop this legislation.

Motor carriers registering their vehicles under the IRP agreement, apportion their vehicle registration fees for each state they choose to travel in, based on the percentage of total miles they operate in each jurisdiction. When a motor carrier operates 50% of his miles in Kansas and 50% in Missouri, this carrier is required to pay 50% of the required Kansas registration fee, depending on the gross weight of the vehicle and 50% of the applicable Missouri registration fee.

An example of apportioned fleet registration billing (Attachment A) shows that carrier "A" operates 196 power units. He operated 1.276% of his miles in Alabama. The registration fees for Alabama are \$1,917.36. In Kansas, carrier "A" operated 5.335% of his miles and paid \$17,614.34 in registration fees. Carrier "A's" total registration fees paid were \$281,767.53.

Once the motor carrier has paid all the required fees, Kansas will issue an apportioned registration cab card (Attachment B) showing each state and at what gross weight such carrier has properly registered its vehicles. Cab cards are required to be carried in the vehicle for inspection by the various states to insure proper compliance.

A trailer apportioned registration cab card (Attachment C) will not list any state except California. California is the only state in the nation that apportions trailers. Kansas based carriers will pay 100% of the Kansas trailer registration fee if they do not operate in California. If a carrier does operate into California, the cab card will look like (Attachment D).

Currently, six states provide for permanent power unit license plates. Those states include Iowa, Missouri and Oklahoma. Fifteen states provide for permanent trailer license plates.

H.B. 2686 will simplify the annual apportioned fleet registration requirements for the carrier and, at the same time, continue to provide safeguards to insure proper collection of annual registration fees, property tax, fuel tax and other regulatory fees. We believe this will benefit the State as well as the motor carrier.

The Kansas Department of Revenue has determined that the fiscal note for the first year of implementation of H.B. 2686 is \$16,959.60. Currently, Kansas issues approximately 35,000 of the apportioned vehicle plates. We understand that the cost for material and labor per license plate is \$1.59 each. We believe that overall there will be a savings to the State because of the reduced number of license plates issued after the 1999 registration year.

The Kansas Motor Carriers Association asks for your favorable action on H.B. 2686. We thank you for the opportunity to present our testimony and would be pleased to respond to questions.

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KANSAS DEPARTMENT OF REVENUE

Motor Carrier Services Bureau

Robert B. Docking State Office Building

Box 12003

Topeka, Kansas 66612-2003

Telephone: (913) 291-3384

Fax: (913) 296-7872

APPORTIONED FLEET REGISTRATION BILLING STATEMENT

DATE : 01/20/98

REG. YEAR : 1998

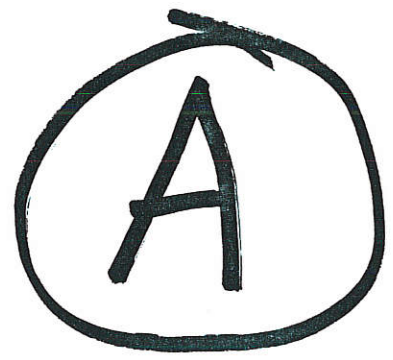
ACCOUNT NO. :

SUPPLEMENT NO. : 0000

Table with 9 columns: JUR, MILEAGE %, REG. FEES, JUR, MILEAGE %, REG. FEES, JUR, MILEAGE %, REG. FEES. Lists various states and their corresponding mileage percentages and registration fees.

KANSAS POWER UNITS
5.335 17,614.34

KANSAS TRAILER UNITS
.000 .00



COMMENTS:

Table with 2 columns: Description and Amount. Lists various fees and credits such as '196 KS TR PLT.: 686.00', 'OTHER KS FEES.: 686.00', and 'TOTAL FEES DUE.: 281,767.53'.

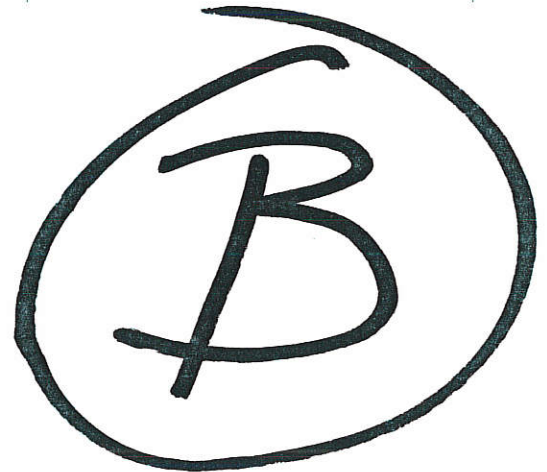
PLEASE RETURN THE WHITE COPY WITH YOUR PAYMENT. REGISTRANTS IN GOOD STANDING MAY USE COMPANY CHECKS MADE PAYABLE TO KANSAS DEPARTMENT OF REVENUE. PAYMENT IS DUE UPON RECEIPT OF BILLING STATEMENT.

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KANSAS APPORTIONED REGISTRATION CAB CARD

REG. YEAR 1997	ACCOUNT NO. 1296	PLATE NO. 000036701	EQUIP NO. 7557	FEIN/SSN: 0000	
YEAR 1996	MAKE KW	VEHICLE I.D. NO. 1XXADR9X5TR679216			
TYPE TRK	COMB. GROSS WEIGHT 080,000	CARRIER TYPE FH	QUARTERLY PAYMENT NO		
QUARTERLY PAYMENT	Vehicle described herein has apportioned registration between the state of Kansas and other jurisdictions as shown below.				
EXPIRATION DATE	AL 80,000	IL 80,000	NC 80,000	RI 80,000	.....
	AR 80,000	IN 80,000	ND 82,000	SC 80,000	.....
	AZ 80,000	KY 80,000	NE 80,000	SD 80,000	.....
DEC 31 1997	CA QUAL	LA 80,000	NH 80,000	TN 80,000	.....
	CO 80,000	MA 80,000	NJ 80,000	TX 80,000	.....
	CT 80,000	MD 80,000	NM 80,000	UT 80,000	.....
	DC 80,000	ME 80,000	NV 80,000	VA 80,000	.....
ENFORCEMENT DATE	DE 80,000	MI 80,000	NY 80,000	VT 80,000	.....
	FL 80,000	MN 80,000	OH 80,000	WA 80,000	.....
MAR 02 1998	GA 80,000	MO 80,000	OK 80,000	WI 80,000	.....
	IA 80,000	MS 80,000	OR 80,000	WV 80,000	.....
	ID 80,000	MT 80,000	PA 80,000	WY 80,000	.....
EXPIRES DECEMBER 31 of the registration year. Must be renewed by March 1. ENFORCEMENT TO BEGIN 12:01 A.M. MARCH ?		If section "Quarterly Payment" indicates "Yes" registration of the vehicle described herein is valid providing the appropriate date appears under the "Quarterly Payment Validation" section.			

KANSAS APPORTIONED REGISTRATION CAB CARD



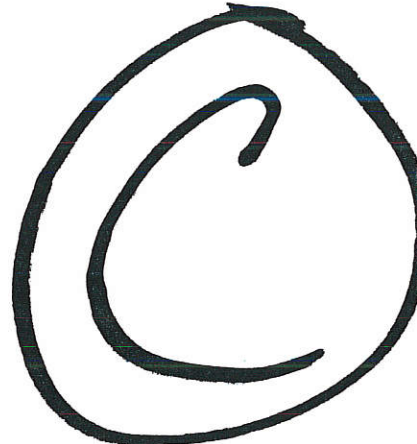
BY MARCH 1, ENFORCEMENT TO BEGIN 12:01 A.M. MARCH 2

KANSAS APPORTIONED REGISTRATION CAB CARD

KANSAS APPORTIONED REGISTRATION CAB CARD

REG. YEAR 1998	ACCOUNT NO. 2656	PLATE NO. 000017996	EQUIP. NO.	FEIN/SSN: 0000
YEAR 1980	MAKE HILL	VEHICLE I.D. NO. 416MT21421079		
TYPE TRL	COMB. GROSS WEIGHT 000,000	CARRIER TYPE NO	QUARTERLY PAYMENT YES	
QUARTERLY PAYMENT EXPIRATION DATE	Vehicle described herein has apportioned registration between the state of Kansas and other jurisdictions as shown below.			
MAR 31 1998	*****	*****	*****	*****
ENFORCEMENT DATE	*****	*****	*****	*****
MAY 01 1998	*****	*****	*****	*****
EXPIRES DECEMBER 31 of the registration year. Must be renewed by March 1. ENFORCEMENT TO BEGIN 12:01 A.M. MARCH 2		If section "Quarterly Payment" indicates "Yes" registration of the vehicle described herein is valid providing the appropriate date appears under the "Quarterly Payment Validation" section.		

KANSAS APPORTIONED REGISTRATION CAB CARD



JOPLIN BUSINESS FORMS (417) 762-7988

C-256194

KANSAS APPORTIONED REGISTRATION CAB CARD

REG. YEAR 1997	ACCOUNT NO. 2479	PLATE NO. 00008737	EQUIP. NO. 6957	FEIN/SSN: 0125
YEAR 1993	MAKE UTIL	VEHICLE LD. NO. 1UVVS2486PU047307		
TYPE TRL	COMB. GROSS WEIGHT 000,000	CARRIER TYPE FH	QUARTERLY PAYMENT NO	
QUARTERLY PAYMENT	Vehicle described herein has apportioned registration between the state of Kansas and other jurisdictions as shown below.			
EXPIRATION DATE	CA QUAL	*****	*****	*****
DEC 31 1997	*****	*****	*****	*****
ENFORCEMENT DATE	*****	*****	*****	*****
MAR 02 1998	*****	*****	*****	*****
EXPIRES DECEMBER 31 of the registration year. Must be renewed by March 1. ENFORCEMENT TO BEGIN 12:01 A.M. MARCH 2		If section "Quarterly Payment" indicates "Yes" registration of the vehicle described herein is valid providing the appropriate date appears under the "Quarterly Payment Validation" section.		

KANSAS APPORTIONED REGISTRATION CAB CARD

