

Approved: April 2, 1998
Date

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 March 12, 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: Don McNeely, KS Auto Dealers Assn.

Others attending: See attached list

Representative Barbara Allen, House Tourism Committee Chairperson, advised she had some comments on a couple of questions raised in yesterday's hearing on HB 2899 - Implementation - State lake resorts (Attachment 1).

HB 2689: Timely delivery of title statement of origin.

Don McNeely, Kansas Automobile Dealers Association Executive Vice President, a proponent for HB 2689 explained the need for the bill. The House amended HB 2849 into this bill and also amended in language requested by the Attorney General. The Attorney General's amendment would require customers to sign a form regarding non cancellation of sale even though title, etc. is delivered after 30 days (Attachment 2).

Discussed loophole in present law that allows someone to return a car even though they may have already driven it for two years or more. Also, there are problems when a car is purchased and never reregistered. It is a very customer oriented bill. The fiscal note regarding need for two additional positions was discussed. Without HB 2849 being amended into HB 2689 there would be no fiscal note involved. Betty McBride explained problems resulting from purchasers not reregistering vehicles and this bill attempts to protect sellers from possible legal complications. They have a surprising number of these occurrences.

The Committee will return to this bill when more information is available.

The meeting adjourned at 9:50 a.m.

The next meeting is scheduled for March 16, 1998.

SENATE TRANSPORTATION AND TOURISM
COMMITTEE GUEST LIST

DATE: MARCH 12, 1998

NAME	REPRESENTING
<i>Paul G. ...</i>	KS AUTO DEALERS ASSN.
<i>Matthew Randall</i>	Wentworth Samson, PA.
<i>Tom Whitaker</i>	KS MOTOR CARRIERS ASSN
<i>Rick Scheibe</i>	KDOR
<i>Billy ...</i>	KDOR

STATE OF KANSAS



TOPEKA

HOUSE OF
REPRESENTATIVES

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COMMITTEE ASSIGNMENTS
CHAIR: TOURISM
MEMBER: ECONOMIC DEVELOPMENT
FISCAL OVERSIGHT
SPECIAL COMMITTEE ON TOURISM
BOARD OF DIRECTORS,
COUNCIL ON TRAVEL AND TOURISM

March 12, 1998

The Honorable Ben Vidrickson
Chairman - Senate Transportation and Tourism Committee
Room 143-N, State Capitol
Topeka, Kansas 66612

Re: Hearing on HB 2899 - March 11, 1998

Dear Senator Vidrickson:

Thank you for holding a hearing yesterday morning on the above-referenced bill. After listening to the testimony and committee questions, I wanted to comment on a couple of questions which were raised in the meeting.

First, I think the impression was left that the incentive plan outlining the state of Kansas' commitment toward building a lake resort would specifically be approved by the legislature. This is not the case. The bill was drafted so that the authority for developing the incentive plan for the state was placed with three cabinet secretaries - Wildlife and Parks, Transportation, and Commerce and Housing. However, the legislature does maintain a check on the completion of the project - at the end of the process. This is after the incentive plans are developed at the state and local level, requests for proposals are developed and advertised, proposals with bids are submitted, and the Secretaries of Commerce and Housing and Wildlife and Parks select, negotiate and contract for the construction of a lake resort. At this point, the "safety net" kicks in (section 7 of the bill), which states that the selection of any site shall not become final, nor shall any revenue bonds be issued for the resort development, until the site so selected and the amount of the bonds proposed to be issued have been approved by the legislature or the state finance council.

In my view, if we are to give cabinet secretaries the authority to make a project like a state lake resort become a reality, then we must give them the tools to get the job done. The legislature should not micromanage this project. By making final site selection and issuance of revenue bonds contingent on approval by the legislature or the state finance council, we maintain legislative oversight, while at the same time allowing the secretaries the latitude to perform their job duties. I hope this explains our intent in drafting the bill in the manner it was drafted, and I hope that the Senate committee will leave the process regarding the development of the incentive packages in place.

Second, the question was raised regarding the liability of the state with regard to the issuance of up to \$30,000,000 in Kansas Development Finance Authority revenue bonds for any one resort. This concern was also raised by members of the House. However, I believe our concerns on this issue were addressed by specific language which was inserted in Section 6, lines 23-31 of the bill. The language states that the bonds, and interest thereon, shall be payable by the private sector developer from revenues to include, but not limited to, resort charges, rentals and fees. Such payment is to be in lieu of lease payments and shall never be deemed to be an obligation or indebtedness of the state. I am not an expert on bonds, but I believe an additional level of security for the state would be present in that these bonds would be insured to guard against the possibility that a developer would not be able to meet his or her principal and interest payment obligations on the bonds.

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Finally, I want to point out that the six resorts named in the bill were named for a reason - they were not chosen arbitrarily. Last year, the 1997 legislature directed the Secretaries of Wildlife and Parks and Commerce and Housing to hire a consultant to perform a study on the feasibility of building a state lake resort in Kansas. The outcome of this study was reported to the House Tourism Committee, and to the Senate Transportation and Tourism Committee, at the beginning of the 1998 session. While I recognize that politics may dictate all 24 state parks be named in the bill, the attempt in performing the feasibility study was to take politics out of the initial selection process, and to give us some guidance on where the development of a lake resort might be feasible in Kansas. The six state parks named in the bill are named for objective reasons (detailed in the study, a copy of which was presented to all House and Senate Tourism Committee members). Perhaps we should rely on the professional input of the consultant whom we hired to determine the top six state parks which should be considered for a state lake resort, rather than adding all 24 state parks to the bill.

I appreciate your indulgence in considering my thoughts on these matters. I have spent a good deal of time working on this legislation, and am extremely interested in HB 2899's favorable progress through the legislature this session.

Very truly yours,



Barbara P. Allen
Representative, District 21

cc: Secretary of Wildlife and Parks Steve Williams
Secretary of Commerce and Housing/Lt. Governor Gary Sherrer
Secretary of Transportation E. Dean Carlson
Senate Transportation and Tourism Committee Members



KANSAS AUTOMOBILE DEALERS ASSOCIATION

March 12, 1998

To: Chairman Ben Vidricksen
and the Members of Senate Committee on Transportation & Tourism

From: Don L. McNeely, KADA Executive Vice President

Re: HB 2689 - Support

Good morning, Chairman Vidricksen and Members of the Committee. My name is Don McNeely and I serve as the Executive Vice President of the Kansas Automobile Dealers Association (KADA) representing the franchised new car and truck dealers in Kansas. I appear before you this morning in support of HB 2689.

House Bill 2689 was originally requested by KADA and was subsequently amended to include House Bill 2849 (introduced by Representative Tim Carmody) and additional language requested by the Kansas Attorney General's Office of Consumer Protection.

House Bill 2689 addresses two current potential abuses of Kansas law. First, as requested by the KADA, HB 2689 restricts the ability of a person who has received and accepted the certificate of title or manufacturer's statement of origin for a motor vehicle they have purchased to void or set aside the transaction at anytime for the sole reason the certificate of title or manufacturer's statement of origin was not delivered within thirty days of the date of sale, if the purchaser at the time of the delivery of the certificate of title or manufacturer's statement of origin chose to reaffirm the sale in writing and was advised of their rights. Under present law, a purchaser could choose to accept title after 30 days and not rescind the sale; register and tag the vehicle; drive the vehicle for two years; and then bring the vehicle back to the seller and rescind the sale because of the fact that the certificate of title was not timely processed or delivered within 30 days from the date of sale.

Secondly, as requested by Rep. Tim Carmody (HB 2849), HB 2689 provides that upon the seller of a vehicle assigning the certificate of title or manufacturer's statement of origin over to the purchaser of the vehicle and the filing of a form with the Division of Vehicles indicating that assignment was made to the purchaser, the seller shall not be held liable for damages resulting from the operation of such vehicle by the purchaser just because of the fact that the purchaser failed to make application of registration. Under current law, the certificate of title to a

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vehicle could be assigned to the purchaser and if the purchaser fails to register the vehicle for whatever reason, the liability for damages arising out of the operation of the vehicle could fall back to the seller of the vehicle if the purchaser did not carry insurance coverage.

On behalf of the Kansas Automobile Dealers Association, I would like to thank the Committee for allowing me to appear this morning, and respectfully request the Committee's approval of HB 2689.