

MINUTES OF THE HOUSE TRANSPORTATION.

The meeting was called to order by Chairperson Gary Hayzlett at 1:40 p.m. on February 18 , 2002 in Room 519-S of the Capitol.

All members were present except:

- Representative Ballou, excused
- Representative Beggs, excused
- Representative Kauffmann, excused

Committee staff present:

- Bruce Kinzie, Revisor
- Hank Avila, Legislative Research Department
- Ellie Luthye, Committee Secretary

Conferees appearing before the committee:

- Representative Powell
- Matt Moser, Manager, Title and Registration, Division of Vehicles
- Dale Lehning, A-1 Salvage of Wichita, Inc. In Haysville
- Paul Davis, Kansas Automotive Recyclers Association

Others attending:

- See attached sheet

**HB 2756 - United We Stand license plate**

Chairman Hayzlett opened hearings on **HB 2756** and called on Representative Powell as the first proponent. He told the committee since September 11<sup>th</sup> everyone in our nation has pulled together and this plate would give the opportunity for Kansans to express their support for America by allowing them to buy specialty tags that honor America. He concluded that other states have created similar patriotic plates and attached a copy of what the State of Michigan had done and asked support for this legislation. (Attachment 1)

The next person to speak on the bill was Mathew Moser, Division of Vehicles. He stated as a distinctive plate the \$40 personalized plate fee would apply, however, the bill as currently written, would require an initial order of 500 plates to authorize production and the Division of Vehicles respectfully request that this requirement be waived. He said this would increase the number of specialty plates handled by the state and counties to 25. (Attachment 2)

There being no other proponents and no opponents Chairman Hayzlett closed hearings on **HB 2756**.

**HB 2793 - license requirements for salvage vehicle dealers and used vehicle dealers**

Chairman Hayzlett opened hearings on **HB 2793**. Dale Lehning, A-1 Salvage, stated that changes over the years in the manner in which salvage vehicles and salvage yards are perceived by both the general public and the various regulatory agencies indicate that a clearer definition of these two somewhat related, yet clearly different entities, is in order. He said that **HB 2793** is the necessary first step leading to the appropriate separation of two distinct industries. (Attachment 3)

Matthew Moser, Division of Vehicles, testified that **HB 2793** eliminates the provision that permits one fee to obtain a used and salvage vehicle dealer license. Applicants who wish to have both licenses will now have to apply, and pay for each separately. Dealers who wish to apply for both licenses will also be required to meet all the dealer licensing requirements for each license. (Attachment 4)

Paul Davis, Association of Automobile Recyclers, stated the bill would make a clear distinction between auto recyclers and used vehicle dealer instead of integration of two businesses when they are separate which now exists.

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE, Room 519-S of the Capitol at 1:40 p.m. on February 18, 2002.

There were no other proponents and no opponents listed. Chairman Hayzlett closed hearings on **HB 2793**.

**HB 2693 - prohibiting compression release engine braking systems in certain locations**

Chairman Hayzlett opened **HB 2693** for discussion and final action. Representative McKinney made a motion to adopt the balloon which was offered by the Kansas Motor Carriers Association which would target those trucks with engine brakes but without mufflers and would double the fine for no muffler when using an engine brake. This amendment would also remove the one-half mile restriction. This was seconded by Representative Pyle and the motion carried.

Representative McKinney made a motion to pass **HB 2693**, as amended, seconded by Representative Pyle and the motion carried.

**HB 2699 - prohibiting covering license plates with plastic materials**

Chairman Hayzlett opened **HB 2699** for discussion and final action. Representative Dreher made a motion to pass **HB 2699** favorably, seconded by Representative Humerickhouse and the motion carried.

**HB 2747 - port authorities, refunding bonds**

Chairman Hayzlett opened **HB 2747** for discussion and final action. Representative Larkin made a motion to pass **HB 2747** favorably, seconded by Representative Long and the motion carried.

**HB 2794 - providing for 48-hour transport permit**

Chairman Hayzlett opened **HB 2794** for discussion and final action. Representative Larkin made a motion to pass **HB 2794** favorably, seconded by Representative Osborne. Following discussion regarding an amendment requested by the Director of Motor Vehicles Representative Larkin withdrew his motion and Representative Osborne withdrew his second.

Representative Larkin made a motion to amend **HB 2794** by inserting "whose primary place of business is in Kansas" in (b), subsection (a), seconded by Representative Osborne and the motion carried.

Representative Larkin made a motion to pass **HB 2794**, as amended, seconded by Representative Osborne and the motion carried.

The minutes for the House Transportation Committee for February 12<sup>th</sup>, 13<sup>th</sup> and 14<sup>th</sup> were presented for approval or corrections. Representative Dillmore made a motion to accept the minutes as presented, seconded by Representative Howell and the motion carried.

Chairman Hayzlett adjourned the meeting at 2:40 p.m. The next meeting of the House Transportation Committee is Tuesday, February 19<sup>th</sup> in Room 519-S.



STATE OF KANSAS  
HOUSE OF REPRESENTATIVES

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TOPEKA

COMMITTEE ASSIGNMENTS  
CHAIRMAN: ETHICS AND ELECTIONS  
MEMBER: FEDERAL AND STATE AFFAIRS  
RULES AND JOURNAL  
TAXATION  
ALEC STATE CHAIR

**TESTIMONY IN SUPPORT OF HB 2756  
BY REPRESENTATIVE TONY POWELL**  
February 20, 2002

Mr. Chairman,

I am pleased today to appear before the House Transportation Committee in support of HB 2756, legislation which would create a "United We Stand" patriotic and distinctive specialty plate. Since September 11<sup>th</sup>, everyone in our nation has pulled together—much like we did after the attack on Pearl Harbor. This rallying around our nation has found expression in the wearing, flying, and showing of the symbols of our great nation by Americans from all walks of life. Today, everywhere you go you can see the Flag flying and other patriotic symbols. Many of us now wear American Flag lapel pins. I believe we should give the opportunity for Kansans to express their support for America by allowing them to buy specialty tags that honor America. I have no doubt that this new specialty license plate will very popular and will easily meet the requirements for production and distribution currently set by law.

Other states have created similar patriotic plates, and I have attached to my testimony a copy of what the State of Michigan has done. I ask your support for this legislation and thank you for your time and attention. I will be happy to stand for questions.

# Michigan's Fundraising License Plates

Order Today!

Secretary of State  
Michigan

## Proud To Be American License Plate



For commercial/media printing:  
Hi-resolution tiff image of new  
Proud To Be American license plate

Michigan motorists can order a special patriotic license plate to benefit the American Red Cross and the Salvation Army. This license plate features the U.S. Flag over a silhouette of Michigan with the words "Proud To Be American" at the bottom. **To order, complete the order form** (PDF file). The fees for this license plate are the same as the department's other fundraising plates.

A special Collector Edition of the patriotic plate bearing the "Proud To Be American" slogan and "United States of America" across the bottom is also available for a one-time fee of \$35. **Collector plates may not be used in place of a vehicle's registered license plate.**



### Choose Your Specialty Plate

Click license plate to see larger image



Click to see image:  
[Agricultural Heritage](#), [Children](#),  
[Lighthouse](#), [Veterans Memorial](#),  
[Water Quality](#), [Wildlife Habitat](#)

### Choose Your "Specialty"

Six Specialty License Plates are available. To order license plates by mail or FAX for any of the follow specialty plates, click below: (PDF files)

- **Agricultural Heritage:** Highlighting a red barn, silo and rolling green fields crowned with the sun, the Agricultural Heritage Plate supports agriculture educational programs for grades K-12. [See a special promotional picture.](#)
- **Children:** With red hearts and a touching message of "Just Love 'Em," the Children's Trust Fund Plate raises funds to prevent child abuse and neglect.
- **Lighthouse:** With its striking red-and-white stripes, the White Shoal Lighthouse is set against the blue waters of Lake Michigan to symbolize the need to preserve all 124 of Michigan's lighthouses. The White Shoal Lighthouse is located 20 miles west of the Mackinac Bridge.
- **Veterans Memorial:** Featuring a pair of silver dog tags as a reminder of the men and women

• MICHIGAN •



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○ Proud To Be American ○

Sheila J. Walker, Director  
Division of Vehicles  
915 SW Harrison St.  
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Division of Vehicles

TESTIMONY

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**TO:** Representative Gary Hayzlett, Chairman  
House Transportation Committee Members

**FROM:** Mathew H. Moser, Manager, Title and Registration Bureau

**DATE:** February 18, 2002

**SUBJECT:** House Bill 2756

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Chairman Hayzlett and members of the House Transportation Committee, my name is Mathew Moser, and I serve as Manager of the Title and Registration Bureau for the Division of Vehicles. I appreciate the opportunity to provide testimony today regarding House Bill 2756.

House Bill 2756 creates a new distinctive "United We Stand" license plate for Kansans who own or lease an automobile or truck registered for a gross weight of not more than 20,000 pounds and make proper application as provided by the Director of Vehicles. Under this bill, applicants would apply for the new distinctive plate in not less than 60 days prior to the expiration of their current registration.

HB 2756 refers to the "United We Stand" plate as a distinctive plate. As such, the \$40 personalized plate fee required by K.S.A. 8-1,141 would apply. The bill is currently written to require an initial order of 500 plates to authorize production. However, the Division of Vehicles respectfully requests that this requirement be waived for the "United We Stand" plate. The bill would be easier to administer without needing to meet a guaranteed initial order of 500 plates.

Several other states have authorized, or are considering authorizing a plate such as one. It offers Kansans an opportunity to demonstrate their patriotism and unity after the tragic events of September 11<sup>th</sup>. This would increase the number of specialty plates handled by the state and counties to 25.

I appreciate the opportunity to appear before the Committee and provide testimony on this bill, and I will be pleased to stand for any questions you may have.

# *Kansas Automotive Recyclers Association*

February 18, 2002

Dear Chairman Hayzlett and Transportation Committee Members:

My name is Dale Lehning, and I own & operate A-one Auto Salvage of Wichita, Inc. in Haysville, Kansas, and have for the last thirty years.

I am here on my own behalf as well as on the behalf of the Kansas Automotive Recyclers Association, of which I am Legislative Chairman.

The change to current law that HB 2793 proposes may at first appear to be of little or no consequence; however, we feel that it is the necessary first step leading to the appropriate separation of two distinct industries.

The issuance of "combination" licenses for used and salvage vehicle dealers was at one time viewed as a convenience. However, changes over the years in the manner in which salvage vehicles and salvage yards are perceived by both the general public and the various regulatory agencies indicate that a clearer definition of these two somewhat related, yet clearly different entities is in order.

The federal Office of Management & Budget publishes the Standard Industrial Classification Manual in which used vehicle sales is classified as 5521; however, the sale of used vehicle parts is classified as 5015. These codes are referred to by various agencies as explained in the Preface to the manual, a copy of which is provided with my testimony today. SIC codes are currently being reviewed and revised for even greater distinction of listings.

KDHE has advised us that the EPA has "targeted" salvage yards for increased enforcement efforts. Their method of identifying salvage yards includes referencing these codes. The likely outcomes of this initiative will include more stringent controls relating to things such as storm water run-off and the handling practices for the various materials that vehicles may contain.

Our association was, to our knowledge, the first to successfully apply for a multi-sector group permit as provided for by the EPA in its original rules several years ago. We have a history of attempting to work with regulatory agencies, rather than resisting them, and just last week our Board of Directors met with a representative of Kansas State University's outreach program to discuss ways we could improve our operations, beginning with voluntary inspections for "Best Management Practices". This may lead to KDHE finding it desirable to fine-tune some of their administrative initiatives or regulations.

It is our opinion that a salvage vehicle dealer is one who is primarily engaged in the dismantling of motor vehicles for the purpose of selling parts, as defined by SIC 5015, and that no others have any justifiable reason to apply as such.

Striking lines 34 & 35 on Page 2 as this bill proposes is the needed foundation for this approach. I would therefore appreciate your support of HB 2793. Thank you.

Sincerely,

Dale Lehning

House Transportation Committee  
February 18, 2002  
Attachment 3



## Preface

The Standard Industrial Classification (SIC) is the statistical classification standard underlying all establishment-based Federal economic statistics classified by industry. The SIC is used to promote the comparability of establishment data describing various facets of the U.S. economy. The classification covers the entire field of economic activities and defines industries in accordance with the composition and structure of the economy. It is revised periodically to reflect the economy's changing industrial organization. This manual incorporates the first major revision since 1972.

On February 22, 1984, the Office of Management and Budget (OMB) published a *Federal Register* notice of intent to revise the Standard Industrial Classification for 1987. In response, businesses, trade associations, individuals, and Federal, State, and local government agencies submitted proposals for over 1100 individual changes.

To provide technical advice for the 1987 SIC revision and to make recommendations on the individual proposals, OMB established a multiagency Technical Committee on Industrial Classification (TCIC). The TCIC (listed below) is chaired by OMB and consists of senior economists, statisticians, and classification specialists representing Federal agencies that use the SIC. To aid in its review, the TCIC established subcommittees for Construction; Manufacturing; Trade (Wholesale and Retail); Communications; Transportation and Public Utilities; Finance, Insurance, and Real Estate; Services; and Computers. The TCIC evaluated each of the proposed changes and recommended approximately 40 percent for acceptance and inclusion in the revised SIC.

The 1987 SIC revision has taken into account technological changes; institutional changes such as deregulation in the banking, communications, and transportation industries; and the tremendous expansion in the service sector. In addition, changes have been made to improve industry detail, coverage, and definitions, and to clarify classification concepts and the classification of individual activities.

The revision has resulted in a net increase of 19 industries for Services (Division I), 8 for Wholesale Trade, and 7 for Manufacturing, with a net decrease of 34 for the other SIC Divisions. Deleted industries are merged into other industries and new industries are created by subdividing or restructuring existing industries. Various industries have also been changed by transfers of individual activities, primarily to increase the accuracy, consistency, and usefulness of the classifications. A few industries are renumbered without any change in content as a consequence of restructuring the classification at the three-digit level.

Revision of the SIC is a large task that requires the time, energy, and cooperation of numerous individuals and organizations both inside and outside the Government. The publication of this manual is a testament to the willingness of many

people to contribute to that task. In addition to the individuals and organizations who developed and submitted proposals for changing the SIC, the revision could not have been accomplished without the individual and collective contributions of the members of the TCIC and its subcommittees. In particular, the members of the Subcommittee on Coding and Interpretation (listed below), who spent many long and sometimes frustrating hours implementing the TCIC's recommendations and OMB's final decisions, are to be congratulated for their work in preparing the text of this manual. Thanks are also extended to members of the staff of the Industry and Commodity Classification Branch, Economic Surveys Division, Bureau of the Census, who provided valuable assistance in producing the manual, especially in preparing manuscripts, integrating comments, and overseeing the proofreading. Notwithstanding all this assistance and advice, the Office of Management and Budget remains responsible for final decisions on the content of the revision.

JAMES C. MILLER III  
*Director*  
*Office of Management and Budget*

### Technical Committee on Industrial Classification

Paul Bugg, Office of Management and Budget, Chairperson  
Alice K. Cullen (retired), Small Business Administration (David Hirschberg, alternate)  
Linda M. Dill, Social Security Administration  
Brenda Erickson, Federal Emergency Management Agency  
Ron Heller, United States International Trade Commission  
Thomas J. Hogan, National Science Foundation (Margaret R. Grucza, alternate)  
Albert P. Keck (retired), Energy Information Administration  
Zoltan Kenessey, Board of Governors of the Federal Reserve System (Charles Gilbert and Kenneth Armitage, alternates)  
William F. Long, Federal Trade Commission (Susan Foster, alternate)  
Brian MacDonald, Bureau of Labor Statistics (Linda P. Hardy, Wanda L. Bland, and Donald W. Rundquist (deceased), alternates)  
Walter E. Neece, Bureau of the Census (C. Harvey Monk, alternate)  
William G. Norris, Interstate Commerce Commission  
Edward I. Reinsel, Department of Agriculture  
Michael Rossetti, Department of Transportation (Rolf R. Schmitt, alternate)  
Sheldon Starr, National Center for Health Statistics  
William B. Sullivan, International Trade Administration  
Terry J. Sutton, Bureau of Mines (Valeria W. Gross and Jeffrey Osmint, alternates)  
Robert A. Wilson, Internal Revenue Service (Kenneth B. Rice, alternate)  
Paula C. Young, Bureau of Economic Analysis (Mark A. Planting, alternate)

**STANDARD INDUSTRIAL CLASSIFICATION MANUAL:  
FROM THE EXECUTIVE OFFICE OF THE PRESIDENT, OFFICE OF  
MANAGEMENT & BUDGET  
1987**

**Definitions**

**Industry No. 5521**

**Motor Vehicle Dealers (Used Only)**

Establishments primarily engaged in the retail sale of used cars only, with no sales of new automobiles. These establishments also frequently sell used pickups and vans at retail.

**Industry No. 5015**

**Motor Vehicle Parts, Used**

Establishments primarily engaged in the distribution at wholesale or retail of used motor vehicle parts. This industry includes establishments primarily engaged in dismantling motor vehicles for the purpose of selling parts. Establishments primarily engaged in dismantling motor vehicles for scrap are classified in Industry 5093.

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Division of Vehicles

TESTIMONY

**TO:** Representative Gary Hayzlett, Chairman  
House Transportation Committee Members

**FROM:** Mathew Moser, Manager, Title and Registration Bureau/  
Dealer Licensing Bureau *Mathew H. Moser*

**DATE:** February 18, 2002

**SUBJECT:** House Bill 2793 – Used & Salvage Dealer License

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Chairman Hayzlett and members of the House Transportation Committee, my name is Mathew Moser, and I serve as the Manager of the Title and Registration/Dealer Licensing Bureau for the Kansas Division of Vehicles. I appreciate the opportunity to provide testimony today regarding House Bill 2793.

HB 2793 eliminates the provision of 8-2404 that permits one fee to obtain a used and salvage vehicle dealer license. Applicants who wish to have both licenses will now have to apply, and pay for each separately. Dealers who wish to apply for both licenses will also be required to meet all the dealer licensing requirements for each license.

With 515 dealers currently holding the dual license, we anticipate that this potentially could generate as much as \$25,000 in additional revenues each year.

Administratively, there will be a minimal impact on the Dealer Licensing Bureau in terms of volume of paperwork processed. No changes or modifications to the Dealer Licensing system are required to accommodate this change.

Thank you for permitting me to testify, and I will gladly stand to answer any questions you may have.