

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE.

The meeting was called to order by Chairperson Senator Les Donovan at 8:30 a.m. on January 22, 2003 in Room 245-N of the Capitol.

All members were present except: Senator Ed Pugh
Senator Jean Schodorf

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

Conferees appearing before the committee: Sheila Walker, Dir., Motor Vehicles Div., KDOR
M.H. Moser, Mgr. Titles & Registrations, KDOR
Don McNeely, President KS Auto Dealers Assn.

Others attending: See attached list

Informational meeting

The Transportation Committee heard SB 449 February 6, 2002; and on February 12, 2002, after further review and discussion, recommended the bill be passed. There has been some negative press and incorrect information disseminated regarding the changes which became law January 1, 2003. The confusion and misinformation apparently focus on the changes involved in Kansas becoming a "title holding state." It has been pictured as "big government" taking over peoples' lives and causing lots of problems. This is definitely not true. In fact, the positives far outweigh any negatives. The main reason Chairman Donovan scheduled this meeting on electronic certificates of title is to better prepare members to answer questions.

Sheila Walker, Director, Motor Vehicles Division, Kansas Department of Revenue, provided a brief summary of what this bill does. It will alleviate many problems in the current system and provide protection against fraud. It gives financial institutions more security and simplifies title transfers. Vehicles owners do not have to keep track of their titles and pay to have a duplicate issued to replace lost titles. Liens and titles can be filed and released electronically. Ms. Walker asked Mathew Moser, Manager, Titles & Registrations to go over some of the commonly asked questions.

Mr. Moser explored a number of scenarios, explaining the answers are all posted on the internet. Required forms can be downloaded from the internet. Those without internet access should call the Motor Vehicle Division or the local county treasurer's office and an information packet will be provided. This service is available to individuals and dealers. This format allows the Division to be less intrusive. Use of Power of Attorney in these transactions remains in place, as well as other safeguards. This is a simplification of the entire title and registration process as well as a fraud and security measure. Anyone who buys a vehicle and pays cash for it, or pays off a lien, will receive a paper title. Only vehicles with liens on them will have the title held. The Power of Attorney and Sales Agreement for individuals are new forms, but all other forms are essentially the same. The Division will provide a PR kit to assist Committee members in answering questions related to this matter.

Don McNeely, President, Kansas Automobile Dealers Association, agreed with the Chairman that this is primarily a matter of educating the public and industry affected by the legislation. The Division will be holding training seminars throughout the State. County treasurers' office will become a good local resource when they have time to become familiar with the changes. The National Automobile Dealers Association is strongly supporting this method for all states. It is an effective cost cutting method as well as a security measure. It will decrease the cost to individuals of transferring titles.

Announcements

The Chair met with Deb Miller, the new Secretary of Transportation. Secretary Miller will provide a briefing for this Committee next Tuesday, January 28, 2003. We will not meet tomorrow.

The meeting adjourned at 9:35 a.m.

