

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Gary Hayzlett at 1:30 P.M. on March 16, 2005 in Room 519-S of the Capitol.

All members were present.

Committee staff present:

Hank Avila, Kansas Legislative Research
Bruce Kinzie, Revisor of Statutes Office
Betty Boaz, Committee Secretary

Conferees appearing before the committee:

Ron Gaches, Gaches, Braden, Barbee and Associates
Zena Bania, Experian Automotive
Carmen Alldritt, Director of Motor Vehicles
Terry Heidner, Director, Planning and Development, KDOT

Others attending:

See attached list.

SB 119 - Division of vehicles records, statistical reports

Chairman Hayzlett opened the hearing on **SB 119** and introduced the first proponent, Ron Gaches. According to Mr. Gaches this bill amends current law regarding permissible uses of motor vehicle records of the Division of motor vehicles. (Attachment 1) He said Kansas law provides for a limited number of exceptions to the general rule of confidentiality, which are detailed in KSA 2004 Supp. 74-2012 (c). **SB 119** proposes an additional exception which is: (F) Assisting businesses in producing motor vehicle title or motor vehicle registration, or both, statistical reports, so long as personal information is not published, redisclosed or used to contact individuals. The purpose of this exception is to allow use of motor vehicle title and registration information for commercial purposes beyond that mentioned in (A), which is limited to use by manufacturers of motor vehicles.

Mr. Gaches introduced Zena Bania of Experian. According to Ms. Bania (Attachment 2) Experian entered the automotive industry approximately ten years ago at which time they began acquiring motor vehicle records from all US jurisdictions. Experian Automotive created a national motor vehicle database, which maintains motor vehicle records from all US jurisdictions. This database allows them to provide motor vehicle information for recall services to manufacturers, vehicle history reports to auto dealers and consumers, and other permissible uses as allowed in the Federal Driver's Privacy Protection Act, state laws, and contractual terms. Ms. Bania said **SB 119** would permit Experian Automotive to acquire motor vehicle records from Kansas at a lesser fee for the purpose of using the information for statistics. The market for this information would include financial institutions, automotive internet portals, parts manufacturers and auto dealerships.

Carmen Alldritt spoke next as a neutral. (Attachment 3) According to Ms. Alldritt, **SB 119** allows the Secretary of Revenue to enter into a lesser rate contract with businesses who wish to create motor vehicle title or motor vehicle registration statistical reports as long as the personal information is not published, redisclosed or used to contact individuals. Ms. Alldritt said utilizing motor vehicle title and registration records to produce statistical reports is allowed under the Driver's Privacy Protection Act. She said currently, motor vehicle title and motor vehicle registration data is not available under a lesser rate contract for assisting businesses to create statistical reports. Ms. Alldritt concluded by saying the Department of Revenue does not oppose **SB 119**.

There were no other proponents, opponents or neutrals so after all questions from the Committee members were answered, Chairman Hayzlett closed the hearing on **SB 119**.

CONTINUATION SHEET

MINUTES OF THE House Transportation Committee at 1:30 P.M. on March 16, 2005 in Room 519-S of the Capitol.

HCR 5014 - Urging the United States Congress to enact a multi-year re-authorization of federal-aid highway, public transit, safety and motor carrier programs

Chairman Hayzlett recognized Terry Heidner, Director of Planning and Development for the Kansas Department of Transportation. According to Mr. Heidner (Attachment 4) **HCR 5014** urges the United States Congress to immediately enact a well-funded, multi-year authorization bill to provide funding to the states for federal-aid highway, public transit, safety and motor carrier programs.

There were no other proponents and no opponents. Chairman Hayzlett closed the hearing on **HCR 5014**.

The Chairman called for final action on **HCR 5014**. Representative Long made a motion to favorably pass this bill from Committee, Representative Beamer seconded the motion and the motion carried.

Chairman Hayzlett called for final action on **SB 119**. Representative Ballard made a motion to amend the language on page 2, section (F) to show ~~assisting businesses in producing~~ **providing businesses with statistical reports on** motor vehicle title or motor vehicle registration, or both, ~~statistical reports~~, so long as personal information is not published, redisclosed or used to contact individuals. The motion to amend was seconded by Representative Yonally and the motion to amend **SB 119** carried. Representative Jack made a motion to favorably pass **SB 119, as amended**, out of Committee. Motion was seconded by Representative Ballard and the motion carried.

Representative Olson made a motion to approve the Minutes of the March 8, 2005 Committee Meeting, it was seconded by Representative George and the motion carried.

There being no further business to come before the Committee, Chairman Hayzlett adjourned the meeting. The next meeting will be March 22, 2005, in Room 519-S at 1:30 p.m.

HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: Mar. 16, 2005

| NAME | REPRESENTING |
|-----------------|-------------------------|
| Terry Heidner | KDOT |
| Ken Gudenkaut | KDOT |
| Tom Whitaker | Ks MOTOR CARRIERS ASSN. |
| Kincaid Johnson | UPS |
| Deanna Williams | Kmca |
| Nancy Weeks | Haskell Co. Treasurer |
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HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: Mar. 16, 2005

| NAME | REPRESENTING |
|----------------|--|
| CARMEL ALDRITT | KDDP |
| Zena Bania | Experian |
| Ron Gaches | Gaches Braden Barber & Assoc. Braden Gaches |
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GACHES, BRADEN, BARBÉE & ASSOCIATES
PUBLIC AFFAIRS & ASSOCIATION MANAGEMENT

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**House Transportation Committee
Testimony of Experian
Supporting Senate Bill 119 – Concerning Records of DMV
Presented by Ron Gaches
Wednesday, March 16, 2005**

Thank you Chairman Hayzlett for this opportunity to support enactment of SB 119. This bill amends current law regarding permissible uses of motor vehicle records of the Division of Motor Vehicles.

As a general rule, Kansas provides for very limited public use of motor vehicle record information collected by the Division of Motor Vehicles. This is largely a privacy issue. Confidentiality of personal information is the standard in Kansas law.

Kansas law provides for a limited number of exceptions to the general rule of confidentiality, which are detailed in KSA 2004 Supp. 74-2012 (c). The general rule provides that:

“lists of persons’ names and addresses contained in or derived from motor vehicle records shall not be sold, given, or received for the purposes prohibited by KSA 2004 Supp. 45-230, and amendments there to, except that: ...”

The law then provides for a limited number of specific exceptions to the general rule:

- (A) Assisting manufacturers of motor vehicles ...
- (B) Assisting an insurer ...
- (C) Assisting the selective service system ...
- (D) Assisting any federal, state or local agency ...
- (E) Assisting businesses with verification or reporting of information ...

SB 119 proposes an additional exception:

- (F) Assisting businesses in producing motor vehicle title or motor vehicle registration, or both, statistical reports, so long as personal information is not published, redisclosed or used to contact individuals.

The purpose of this exception is to allow use of motor vehicle title and registration information for commercial purposes beyond that mentioned in (A), which is limited to use by manufacturers of motor vehicles. The same types of statistical reports attractive to manufacturers are of interest to other related interests such as new and used car dealers, parts manufacturers, insurance companies, and financial institutions.

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manufacturers are of interest to other related interests such as new and used car dealers, parts manufacturers, insurance companies, and financial institutions.

Nothing in the proposed language would permit the public release of any personal information. The statistical reports authorized by the bill would not include information specific to any individual, vehicle or address.

Experian provides motor vehicle registration statistical reports to auto manufacturers as provided (A) of the current law. Enactment of SB 119 will allow Experian and other firms to enter into agreements with the Division of Motor Vehicles to provide similar statistical reports to other businesses.

With me this morning is Zena Bania of Experian, who will describe in more detail the company, the use motor vehicle title and registration information, and the steps they take to ensure the confidentiality of all personal information.

House Transportation Committee
Supporting Senate Bill 119 – Concerning Records of DMV
Presented by Zena Bania
Experian
Wednesday, March 16, 2005

Mr. Chairman and Committee members, I want to thank you for the opportunity to speak with you this morning regarding SB 119. In follow-up to Mr. Gaches statement, my name is Zena Bania and I am an employee of Experian Automotive, a business unit of Experian Information Solutions, Inc. Experian has over 30 years experience in maintaining highly regulated and highly sensitive credit information on consumers throughout the US. As stewards of personal information, we take our responsibility very seriously to protect the information we maintain.

Experian entered the automotive industry approximately 10 years ago at which time we began acquiring motor vehicle records from all US jurisdictions. Experian Automotive created a national motor vehicle database, which maintains motor vehicle records from all US jurisdictions. This database allows us to provide motor vehicle information for recall services to manufacturers, vehicle history reports to auto dealers and consumers, and other permissible uses as allowed in the Federal Driver's Privacy Protection Act, state laws, and contractual terms.

The database technology we utilize restricts release of data from jurisdiction to jurisdiction, based on the State's requirements. Additionally, we have a quality assurance team that is responsible for making sure information is not disclosed inappropriately.

Experian has a 10-year business relationship with the Kansas Division of Motor Vehicles where we acquire title and registration records and use the information solely as permitted by Kansas laws and our contractual agreement with the Department of Revenue.

As Mr. Gaches stated, SB 119 would permit Experian Automotive to acquire motor vehicle records from Kansas at a lesser fee for the purpose of using the information for statistics. The market for this information would include financial institutions, automotive internet portals, parts manufacturers and auto dealerships.

The benefits these customers would gain by knowing statistically what types of vehicles are in their service area include maintaining efficient parts inventory, understanding the service needs of their customers based on where vehicles are located geographically, and for dealerships that may wish to expand to know their market opportunities.

Experian on a corporate level has a compliance department with staff dedicated to Automotive. These employees completely understand the Federal Driver's Privacy Protection Act, Kansas laws and the contract Experian has with the Kansas Department of Revenue. Experian is also very proactive relating to privacy issues and has worked closely with various privacy driven consumer organizations.

This concludes my statement. Thank you very much for your time.

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Attachment # 2



K A N S A S

JOAN WAGNON, SECRETARY

DEPARTMENT OF REVENUE
DIVISION OF VEHICLES

KATHLEEN SEBELIUS, GOVERNOR

TO: Chairman Gary Hayzlett
Members of the House Transportation Committee

FROM: Toni Roberts, Division of Vehicles

DATE: March 16, 2005

SUBJECT: Senate Bill 119 – Lesser Rate Contracts

*Testimony given by
Carmen Alldritt*

Mr. Chairman, members of the committee, I am Toni Roberts, with the Division of Vehicles, Department of Revenue. Thank you for allowing me to testify on Senate Bill 119.

Senate Bill 119 allows the secretary of Revenue to enter into a lesser rate contract with businesses who wish to create motor vehicle title or motor vehicle registration statistical reports as long as the personal information is not published, re-disclosed or used to contact individuals.

Utilizing motor vehicle title and registration records to produce statistical reports is allowed under the Driver's Privacy Protection Act.

Businesses who currently receive vehicle title and registration records are limited to using the data for assisting manufacturers and compiling motor vehicle history reports. Currently, motor vehicle title and motor vehicle registration data is not available under a lesser rate contract for assisting businesses to create statistical reports.

The department does not oppose this bill and appreciates the opportunity to work with businesses on legislative changes.

I would be happy to address any questions you have.

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KANSAS

DEPARTMENT OF TRANSPORTATION
DEB MILLER, SECRETARY

KATHLEEN SEBELIUS, GOVERNOR

**TESTIMONY BEFORE
HOUSE TRANSPORTATION COMMITTEE**

REGARDING HOUSE CONCURRENT RESOLUTION 5014

**URGING CONGRESS TO ENACT MULTI-YEAR
SURFACE TRANSPORTATION LEGISLATION**

MARCH 16, 2005

Mr. Chairman and Committee Members:

I am Terry Heidner, Director of Planning and Development for the Kansas Department of Transportation (KDOT). On behalf of KDOT, I am here today to provide testimony regarding House Concurrent Resolution 5014, which urges the United States Congress to immediately enact a well-funded, multi-year authorization bill to provide funding to the states for federal-aid highway, public transit, safety and motor carrier programs.

The last multi-year surface transportation bill which authorized federal surface transportation funds was enacted in June 1998. The Transportation Equity Act for the 21st Century, known as TEA-21, expired on September 20, 2003. Now, some 18 months later, reauthorizing legislation has yet to be enacted.

TEA-21 has been extended six times in order to authorize federal funds for the states. The current extension expires May 31, 2005. The House and Senate both passed multi-year authorizing legislation in 2004 however agreement could not be reached in Conference Committee prior to adjournment for the year. With the new 109th Congress beginning in 2005, the reauthorizing legislation had to be reintroduced. The US House passed their version of the reauthorization bill last Thursday, March 10. The Senate has not yet acted on their bill, but even if that happens quickly there are, once again, many contentious issues that will likely complicate and thus slow down the process of reaching agreement during conference.

Kansas and the Kansas Department of Transportation need this federal authorizing legislation to be enacted quickly. Federal-aid provides approximately 25 percent of the total revenue for the State Highway Fund and approximately 40 percent of our revenue available for construction. Federal-aid does not just benefit the State Highway Program. Approximately 25 percent of the federal-aid KDOT receives is shared with local governments.

The importance and urgency of enacting a multi-year federal authorization bill cannot be overstated. KDOT supports passage of Concurrent Resolution 5014 to convey that importance and urgency to the Kansas Congressional Delegation and the President.

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