

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 8:30 A.M. on March 8, 2006 in Room 527-S of the Capitol.

All members were present except:

Anthony Hensley- excused

Committee staff present:

Hank Avila, Kansas Legislative Research Department

Bruce Kinzie, Revisors of Statutes

Maggie Breen, Committee Secretary

Conferees appearing before the committee:

Representative Bonnie Huy

Don McNeeley, Kansas Automobile Dealers Association

Carmen Alldritt, Director of Motor Vehicles

Deann Williams, Bureau Chief, Motor Carrier Service Bureau

Mary Jane Stankiewicz, Kansas Grain and Feed

Others attending:

See attached list.

Chairman Donovan opened the hearing on **HB 2645 - Vehicle title service agents, licensing.**

Representative Bonnie Huy said **HB 2645** is a consumer protection measure that would close some existing loopholes relative to fraudulent title documentation on stolen vehicles. She shared what she learned as a victim of vehicular theft. Her truck was stolen and the title transferred three times without her knowing it. She included copies of forged documents processed on her vehicle with her testimony. In our state it's incredibly easy for a thief to steal a vehicle, obtain a duplicate title, transfer title by forging the owner's signature and get away with it because of the current loopholes and the lack of any checks and balances. An application for a duplicate Certificate of Title and title transfer can be processed simply by forging the owner's name because a notarized signature is no longer required nor is proof of ownership. Also, the state is not currently linked to the National Crime Information Center (NCIC) and property crimes are the lowest priority for law enforcement. In Wichita there is a title company that operates almost completely "under the radar screen" and the word on the street is you can pretty much get anything you want done there. The Vehicle Title Service Licensing Act would require vehicle title service agents, that process third party title work, to pay a license fee of \$75 and maintain a bond of \$25,000. The Director of Motor Vehicles would have authority to suspend or revoke licenses and impose civil penalties for violation of the act. The bill is not intended to be burdensome to legitimate title businesses. This bill, along with the news that Kansas will soon start using NCIS, will make it much harder for would be thieves. The bill was amended in the House Transportation Committee to exempt Kansas Automobile Dealers Association and the Kansas Motor Carriers Association, both of which process title work. There have been no complaints regard those two groups. She asked for favorable support of the bill. It passed the House 118 to 7. (Attachment 1)

Don McNeeley, Kansas Automobile Dealers Association, said that one of the many services to their members is operating a title service on their behalf. The dealers send them title work, they run it through the Division of Motor Vehicles for processing and mail it back to their dealer members. They are very pleased to support the bill. (Attachment 2)

Carmen Alldritt, Director of Motor Vehicles, said there are approximately 25 title service agents or businesses in Kansas. The title services are used by some dealers and often by individuals. All the vehicle work is taken for processing to the County Treasurer's offices and it is stamped "hand carry." The agents bring that work to the front counter at the Docking Building for same day printing of titles. The Division is in agreement with the amended version of the bill. She said it had been very interesting and informative working with Representative Huy as she traced and retrieved her vehicle. A few years ago the state attempted to get into NCIC for this very problem but it was cost prohibitive. But when they made the call this time they found they can get hooked up with just the cost of a little programming time. They're thankful that Representative Huy took up the cause. (Attachment 3)

CONTINUATION SHEET

MINUTES OF THE Senate Transportation Committee at 8:30 A.M. on March 8, 2006 in Room 527-S of the Capitol.

Chairman Donovan closed the hearing on **HB 2645** and opened the hearing on:

HB 2878 - Motor fuel trip permits, issuance of.

Deann Williams, Bureau Chief, Motor Carrier Service Bureau, Division of Vehicles, said she just started working there last Thursday and is very pleased to be there. She appeared in support of **HB 2878**. Basically, it would allow a motor carrier to obtain a 72-hour fuel permit that will allow them to go back and forth across the state border. They would not have to buy a trip permit each and every time come into Kansas. Also, if they know they will be coming in for a week or two, then they would be able to purchase three additional permits at a cost of \$25 each. They feel the bill will make it easier for the carriers operating close to the border to bring commodities into Kansas. (Attachment 4)

Chairman Donovan asked if there was an increase in the fee. Deann said yes and no. It is \$13 right now for the one trip permit and it would increase to \$25 for the 72-hour permit.

Mary Jane Stankiewicz, Vice President and General Counsel for Kansas Grain and Feed Association (KGFA), said they discovered that one of their members last year, due to some changes in the law, missed out on approximately one million bushels of grain from Kansas City. They are seeking the ability to buy either a day or a 72-hour permit rather than a one trip permit. Some of their people were actually fined when they were driving through our state, to the point of entry, to buy their trip permits. Their only other option was to get up earlier and do it online. Some can do this but it is not convenient, especially during your busy season. They have one recommended change for consideration. The bill eliminates individual trip permits altogether, in effect raising fees for anyone who wants to make 1 trip into the state. They suggest the 24-hour permit be \$13 and the 72-hour permit be \$25. (Attachment 5)

Bruce Kinzie said he'd visited with Ms. Williams and there is some concern with the language in the bill and the way law enforcement personnel might interpret it. In essence, it would be clearer if we got away from the wording "trip permits" and referred to them as "motor fuel permits." He said the wording "within the state" should also be taken out so there would be no confusion about them crossing the borders in and out of the state.

Chairman Donovan asked Ms. Williams if the Feed and Grain amendment works for them. Ms. Williams said they want to make sure that the \$13 for a 24-hour period will work on the fiscal side. They will get back to him.

Chairman Donovan closed the hearing on **HB 2878**.

Chairman Donovan said his plans are to take final action on **SB 456 - Open records; disclosure of certain records pertaining to drivers of motor vehicles transporting members of the public**, when the committee meets on February 14.

HB 2645

Senator Wilson made a motion to pass **HB 2645** out favorably. Senator Petersen seconded the motion. The motion carried.

Chairman Donovan initiated approval of the committee minutes for February 22, 2006.

Senator Schmidt made a motion to approve the minutes as written. Senator Wilson seconded the motion. The motion carried.

The meeting adjourned at 9:10 a.m.

The next meeting is scheduled for Tuesday, March 14, 2006.

**SENATE TRANSPORTATION COMMITTEE
GUEST LIST**

DATE: March 8, 2006

NAME	REPRESENTING
Don McNEELY	KADA
Whitney Damron	KADA
Mary Jane Stankiewicz	KGFA
Jeanne Williams	KDOR
Kathy Olsen	Ks Bankers Assn
Amy Davidson	KMCA
Carmen Allrite	KDOR
Debbie Allut	KDOR
Ken Gudenkauf	KDOT

STATE OF KANSAS

Bonnie Huy
Representative, 87th District
Capitol Building, Room 110-S
Topeka, Kansas 66612
(785) 296-7644
huy@house.state.ks.us



Committee Assignments
Member:
• Appropriations
• Education Budget

HOUSE OF REPRESENTATIVES
87TH DISTRICT

Testimony in Support of
House Bill 2645
Before the Senate Transportation Committee
By Representative Bonnie Huy

March 8, 2006

Chairman Donovan and Committee Members:

I appreciate the opportunity to appear in support of House Bill 2645, which is a consumer protection measure that would close some existing loopholes relative to fraudulent title documentation on stolen vehicles.

If the committee would indulge me, I would first like to share what I have learned as a victim of vehicular theft.

Back in December 2004, our truck was stolen along with my husband's prized tools that he had collected over the past 50 years.

Between December 2004 and October 2005, I periodically contacted the detective assigned to our case to inquire about the status of the investigation. When I called in October 2005, I remarked that, if the truck were still in the state, at least the title could not be transferred because we held the Certificate of Title. The detective enlightened me about how simple it is to obtain a duplicate title in Kansas and furthermore that he had not checked to see if an application for a duplicate had been processed. I subsequently requested that he do so and received a follow-up call the next day informing me that the title had transferred three times.

In Kansas, it is incredibly easy for a thief to steal a vehicle, obtain a duplicate title, transfer title by forging the owner's signature and get away with it because of the current loopholes and the lack of any "checks and balances." For example:

- There is no in-state check to detect the stolen status of a Vehicle Identification Number (VIN) when an application for a duplicate title is processed. The Division of Motor Vehicles is not presently linked to the National Crime

Home Address: 1142 S. Gouverneur Ct. - Wichita, Kansas 67207 - (

Senate Transportation Committee
March 8, 2006
Attachment 1

Information Center (NCIC), the computerized index of criminal justice information, which includes stolen properties.

- Property crimes are the lowest priority for law enforcement and are not aggressively pursued due to heavy caseloads.
- An application for a duplicate Certificate of Title and title transfer can be processed simply by forging the owner's name because a notarized signature is no longer required nor is proof of ownership.

Law enforcement tells me that the real problem with stolen vehicles started when the criminals figured out how easy it is to apply for a duplicate Certificate of Title due to the lack of "checks and balances" in the system. They just simply forge and complete an affidavit for power of attorney and receive a duplicate title on any vehicle of choice. The vehicle is usually immediately sold and the new buyer has no way to know if the seller is in fact the actual owner.

As examples of how uncomplicated it is for criminals to obtain a duplicate title and transfer ownership by forging a signature, I have attached to this testimony copies of the forged documents processed on our vehicle.

In Wichita we have a glaring example of a title service that operates almost completely "under the radar screen." The word on the street is that this person will apply for and process duplicate titles and vehicle registrations for anyone for cash -- no questions asked. According to law enforcement, this person is even willing to forge documents. Whenever an investigator has inquired about a particular transaction, the standard answer from this person is: "I do not have any record of nor do I remember that transaction. I did not ask for identification and I do not know if they were being truthful or not." Because this person requires no proof of ownership or identification, illegal aliens who do not have drivers' licenses frequently utilize her services. ***(All persons involved with our truck were illegal aliens.)***

The Vehicle Title Service Agent Licensing Act would require vehicle title service agents that process third party title work to pay a license fee of \$75 and maintain a bond of \$25,000 deposited with the State Treasurer. The Director of Vehicles would have the authority to suspend or revoke licenses and impose civil penalties between \$100 and \$2,000 for each violation of the Act. The licensee would be required to maintain for three years a log containing a record entry of the date of each application, the name of the person for whom the title services were performed, the name of the owner and the vehicle identification number of each vehicle and, if the service is performed for an individual, photo identification of the owner.

The bill is not intended to be burdensome to legitimate title businesses most of whom are honest and have a reputation for cooperating with law enforcement. The intent of this legislation is to tighten existing loopholes utilized by criminals and a few unscrupulous title service agents.

Licensing of title service agents and linking to NCIC (which I'm told will soon be implemented by the Division of Motor Vehicles) will make it much more difficult to process fraudulent title documents.


HB 2645 was amended in the House Transportation Committee to exempt Kansas Automobile Dealers Association and the Kansas Motor Carriers Association, both of which process title work.

If we don't tighten the known loopholes that make it all too easy for the criminal, we may as well erect a billboard stating, "Crime Pays in Kansas."

I ask for your favorable support of HB 2645 that will make it more difficult for a thief to fraudulently obtain a duplicate Certificate of Title on a stolen vehicle.

Thank you for your time and attention.

Respectfully,

A handwritten signature in black ink that reads "Bonnie Huy". The signature is written in a cursive style with a large, looped initial "B".

Representative Bonnie Huy

Huy - Original #

DIRECTOR OF REVENUE ASSIGNMENT NUMBER	Name of Assignor Walter J. a/o Bonnie J. Huy Address 1142 S. Gouverneur, Wichita, KS 67207 City Wichita State KS Zip 67207 Name of Assignee Davis Moore Nissan, Inc. 8304 City Wichita State KS Zip 67207 Notary Public - State of Kansas JERRIE A. GOOCH My App. Expires June 20, 1998
DATE OF ASSIGNMENT	Date of Assignment
NAME OF ASSIGNOR	Name of Assignor
NAME OF ASSIGNEE	Name of Assignee
COUNTY OF ASSIGNOR	County of Assignor
COUNTY OF ASSIGNEE	County of Assignee

Davis Moore Nissan, Inc. By: *[Signature]*
 Davis Moore Nissan, Inc. By: *[Signature]*

5/9/97 5/9/97

Notary Public - State of Kansas
JERRIE A. GOOCH
 My App. Expires **June 20, 1998**

none

License Tag No.	Auto	Truck	Trlr	Mtc	Mbl Hn	A.ro	Dev	Antq	Dis	Spec	Pcrs	Mar Bycl	Natl	Ex-POW
Title Number	Forged Duplicate # 2													

CHECK ONE: DUPLICATE TITLE \$7.00 SECURED TITLE \$7.00 REISSUE TITLE \$7.00 \$ _____ Total Fee

Name Willy, Walter J 2012
 Name Willy, Bonnie J
 Name _____

AND #	or	AND/or /	\$ #	DBA ..	
AND #	or	AND/or /	\$ #	DBA ..	WROS
AND #	or	AND/or /	\$ #	DBA ..	WROS

Current Address 1142 Governor Row, Ct
Wichita Ks 67207
 City State Zip

Applicant Telephone No. _____
 Veh. Yr. 07 Alvin Style LL Odometer 75012
 Veh. Id. # 1N6SD1614VC380703 (No Tenths)
 CHECK ONE: Actual
 Not Actual
 Exceeds Mechanical Limits

FOR OFFICE USE ONLY

APPLICATION DATE	SI	PURCHASE DATE	CL	EMPTY WEIGHT	MILEAGE
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1. Secured Party _____ Address _____ City _____ State _____ Zip _____
 2. Secured Party _____ Address _____ City _____ State _____ Zip _____

***DUPLICATE TITLE APPLICANTS ONLY**
 I certify that I am the lawful owner of the vehicle described above for which Certificate of Title was issued to me by the State of Kansas, and that my original certificate of title has been lost , mutilated (), or has become illegible (). (Check one.)
NOTARIZATION REQUIRED

I certify that all information stated above is true and correct.
Walter J Willy Signature of Last Registered Owner Walter J Willy Date
 Social Security or FEIN # _____
 Subscribed and sworn to before me on this _____ day of _____, 19____

Appointment expires _____ Notary Public _____

- INSTRUCTIONS**
- Signature of owner(s) must correspond to name on face of title.
 - Use current mailing address.
 - Statutory fee is \$7.00 for duplicate, \$7.00 for secured and \$7.00 for reissue.
 - To remove existing lien, submit a notarized release.
 - Existing Kansas title must be submitted in the case of secured or reissue applications. (If title has been destroyed or lost, application must also be made for Duplicate Title, as provided on form.)
 - Note name and address of secured party.
 - Copy of security agreement is not necessary.
 - If legal document or power of attorney is used, please attach to application.
 - Current mileage required.
 - Social Security No., Federal Employee Identification No. or Vendor ID No. is optional.
 - Mail to: Local County Treasurer's Office
- Duplicate Title — Replaces the original title that has been lost, mutilated or stolen.
 Reissue Title — Releases a lien from a title.
 Secured Title — Adds or changes a lien on the title.

RELEASE OF LIEN

STATE OF KANSAS, _____ COUNTY, KS
 The lien of Kansas title _____ in the name of: _____, for the following described vehicle, year _____, make _____, ID # _____, is hereby released.
 Lienholder _____
 By _____
 Subscribed and sworn to before me this _____ day of _____, 19____
 My appointment expires: _____ Notary Public _____

FOR OFFICE USE ONLY

TITLE SERVICE/INDIVIDUAL AUTHORIZATION

Vehicle Information **MUST** be Provided:

<u>87</u>	<u>Hudson</u>	<u>M6S16S4 VC 380703</u>
Year	Make	Vehicle Identification Number

INDIVIDUAL

WALTER J HILL owner of the
aforementioned vehicle, authorize the following authorized agent/individual to present title
application and accept delivery of the originated title.

<u>Walter Hill</u>	<u>MID AMERICA TITLE SERVICE</u>
Vehicle Owner's Signature	Person/Dealership Picking Up Title
	<u>12/20/01</u>
	Date

Dated this _____ day of _____, 19 _____

SEAL _____ Notary Public

DEALERSHIP

I, _____ owner of

Dealership Name Dealer Number

authorize _____
Name of Title Service/Title Service Representative
to present title application on the vehicle described above and accept delivery of the originated title

Dealership Signature Date

Dated this _____ day of _____, 19 _____

SEAL _____ Notary Public

First Title Transfer #3

DO NOT ACCEPT TITLE SHOWING ANY ERASURES, WHITEOUT, ALTERATIONS OR MUTILATIONS

The undersigned hereby certifies that the vehicle described in this title has been transferred to the following printed name and address:

Name of Purchaser(s) JOSE CONCEPCION MARTINEZ
 Address 4244 ST HILDADE City WICHITA State KS ZIP 67216

ASSIGNMENT OF TITLE

Buyer's Hand Printed Name (Same Person(s) that Signed Above)
JOSE CONCEPCION MARTINEZ

PURCHASE PRICE of the vehicle was \$ 2,500

The undersigned hereby certifies that the vehicle described in this title has been transferred to the following printed name and address:

Name of Purchaser(s) _____
 Address _____ City _____ State _____ ZIP _____

Buyer's Hand Printed Name (Same Person(s) that Signed Above) _____

PURCHASE PRICE (Retail Sale ONLY) \$ _____

The undersigned hereby certifies that the vehicle described in this title has been transferred to the following printed name and address:

Name of Purchaser(s) _____
 Address _____ City _____ State _____ ZIP _____

Buyer's Hand Printed Name (Same Person(s) that Signed Above) _____

PURCHASE PRICE (Retail Sale ONLY) \$ _____

If application for Kansas title and registration is not made within 30 days of date the vehicle was sold and delivered, penalty and interest will be assessed. Only One Additional Dealer Re-Assignment May be Attached

AFFIDAVIT TO A FACT

Complete vehicle information and check appropriate statement(s).

Please Type or Print Clearly

VEHICLE INFORMATION

Must be Completed

Year 1997 Make NISS ID # 1N6SD16S4VC380703

VEHICLE GIFT CERTIFICATION I, the undersigned, certify that the above referenced vehicle was presented as a gift to _____

Donor Signature _____

ONE AND THE SAME PERSON I, the undersigned, certify that JOSE CONCEPCION MARTINEZ and J CONCEPCION MTZ are one and the same person.

DISCLAIMING VEHICLE OWNERSHIP

I, the undersigned, certify that I am disclaiming ownership of the above referenced vehicle.

TITLE OR MSO ASSIGNMENT (Name addition) We, the undersigned, certify the above referenced vehicle assignment was not properly completed at time of purchase.

Name of person to be added on assignment: _____

(Both parties must sign below)

VEHICLE NON-USE I, the undersigned, certify that the above referenced vehicle was not at any time operated during the year(s) of _____ and _____ (Report full calendar years only.)

RELATIVES OF A MEMBER OF THE MILITARY (Renewals, only)

I, the undersigned, certify that I am the _____ of _____ Relationship _____ (Applicant Military Personnel)

SAFETY INSPECTION CERTIFICATION

I, the undersigned, certify that the above referenced vehicle has been modified to meet all safety requirements as per Kansas statutes, for the purpose of obtaining Kansas title and registration.

AFFIANT'S CERTIFICATION

I certify that all information and statement(s) made above are true to the best of my knowledge.

Affiant's Signature(s) JOSE CONCEPCION MTZ

Date 3-07-05

Date _____

NOT ACCEPT TITLE SHOWING ANY ERASURES, WHITEOUT, ALTERATIONS OR MUTILATIONS

The undersigned hereby certifies that the vehicle described in this title has been transferred to the following printed name and address.

Name of Purchaser(s) Prince Basuta
Address 1027 S Laura City WICHITA State KS ZIP 67211

Lienholder or Secured Party

I, seller(s), certify to the best of my knowledge that the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:
Vehicle was sold and delivered on: 5:20 AM Month 10 Day 05 Year

Buyer(s) Signature (Authorized Agent, if Dealership)
Buyer's Hand Printed Name (Same Person(s) that Signed Above.)

PURCHASE PRICE of the vehicle was: \$ 2500
Seller's Hand Printed Name (Same Person(s) that Signed Above.)

ASSIGNMENT OF TITLE

FIRST RE-ASSIGNMENT BY LICENSED DEALER

SECOND RE-ASSIGNMENT BY LICENSED DEALER

The undersigned hereby certifies that the vehicle described in this title has been transferred to the following printed name and address:

Name of Purchaser(s)
Address
City
State
ZIP

Lienholder or Secured Party

I, seller(s), certify to the best of my knowledge that the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:
Vehicle was sold and delivered on:
Month Day Year

Buyer(s) Signature (Authorized Agent, if Dealership)
Buyer's Hand Printed Name (Same Person(s) that Signed Above.)

PURCHASE PRICE (Retail Sale ONLY) \$
Dealership's Name (Print or Type) Dealer Number

The undersigned hereby certifies that the vehicle described in this title has been transferred to the following printed name and address:

Name of Purchaser(s)
Address
City
State
ZIP

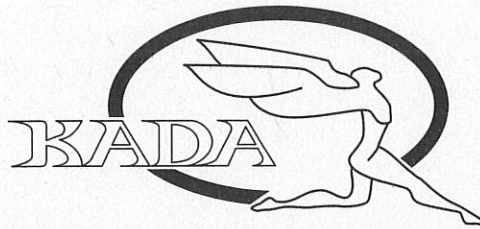
Lienholder or Secured Party

I, seller(s), certify to the best of my knowledge that the odometer reading is the actual mileage of the vehicle unless one of the following statements is checked:
Vehicle was sold and delivered on:
Month Day Year

Buyer(s) Signature (Authorized Agent, if Dealership)
Buyer's Hand Printed Name (Same Person(s) that Signed Above.)

PURCHASE PRICE (Retail Sale ONLY) \$
Dealership's Name (Print or Type) Dealer Number

application for Kansas title and registration is not made within 30 days of date the vehicle was sold and delivered, penalty and interest will be assessed. Only One Additional Dealer Re-Assignment May be Attached



KANSAS AUTOMOBILE DEALERS ASSOCIATION

March 8, 2006

To: Chairman Les Donovan
and the Members of the Senate Transportation Committee

From: Don L. McNeely, KADA President

Re: HB 2645 – Vehicle Title Service Agent Licensing Act

Chairman Donovan and Members of the Committee:

Good morning, my name is Don McNeely, and I serve as President of the Kansas Automobile Dealers Association (KADA). Mr. Whitney Damron, KADA's Legislative Counsel, also accompanies me this morning. On behalf of the Kansas Automobile Dealers Association, which represents the interests of the state's franchised new motor vehicle dealers, and as one of our member services performs the services of a title service agency to meet the needs of our membership, we respectfully request your support of HB 2645.

The House Transportation Committee at the request of KADA adopted our proposed amendments which exempts the state's licensed motor vehicle dealers from the proposed legislation's licensing requirements due to the fact, they are already licensed with the Division of Vehicles, which requires an annual licensing fee, an established place of business, minimum liability insurance, property and sales tax clearance, \$30,000 bonding and open records inspections. In addition, the House also adopted KADA's proposed amendment which streamlines the recordkeeping requirements required of a licensee.

On behalf of the Kansas Automobile Dealers Association, I would like to thank the Members of the Committee for allowing me to appear before you this morning and we respectfully request your support of HB 2645, as amended. Thank you.



K A N S A S

JOAN WAGNON, SECRETARY

DEPARTMENT OF REVENUE
DIVISION OF VEHICLES

KATHLEEN SEBELIUS, GOVERNOR

TO: Chairman Les Donovan
Members of the Senate Transportation Committee

FROM: Carmen Alldritt, Director
Division of Vehicles

DATE: March 8, 2006

SUBJECT: House Bill 2645 – Title Service Agents

Thank you, Mr. Chairman and Committee members.

We have approximately twenty five title service agents or businesses in Kansas. They are located throughout the state, but primarily in Kansas City, Wichita, Topeka, Hutchinson, Salina and two out of Missouri. Title services are used by some dealers and often, some individuals. All vehicle work is taken for processing to the County Treasurers' offices, and it is stamped "hand-carry". The agents bring that work to our front counter at the Docking Building for same day printing of titles or whatever their business needs require.

The Division is in agreement with the amended version of this bill, as we consider Motor Carriers, Dealers and Financial Institutions, as party to these transactions.

This bill would require the title service to keep records of identification of their customers in case there would ever be any question regarding a transaction. The bonding would be in place for any consumer issues that might arise. And, of course, since we do tax clearance on any licenses issued, such as dealers licensing, title service agents would be subject to that process.

DOCKING STATE OFFICE BUILDING, 915 SW HARRISON ST., TOPEKA, KS 66612-1588
Voice 785-296-3601 Fax 785-291-3755 <http://www.ksrevenue.org/>

Senate Transportation Committee
March 8, 2006
Attachment 3



K A N S A S

JOAN WAGNON, SECRETARY

DEPARTMENT OF REVENUE
DIVISION OF VEHICLES

KATHLEEN SEBELIUS, GOVERNOR

TO: Chairman Les Donovan
Members of the Senate Transportation Committee

FROM: Deann Williams, Chief, Motor Carrier Services Bureau
Division of Vehicles

DATE: March 8, 2006

SUBJECT: House Bill 2878 – Motor Carrier Trip Permits

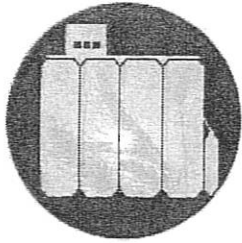
My name is Deann Williams, Bureau Chief, Motor Carrier Services Bureau, Kansas Department of Revenue. We appear here this morning in support of House Bill 2878.

House Bill 2878 would provide for a 72-hour fuel permit to be issued by Kansas motor carrier permit offices for a cost of \$25.00. This bill gives the motor carrier the ability to purchase three additional 72-hour permits, making it easier for motor carriers making multiple trips into Kansas, especially for those carriers conducting business close to state borders.

I would be pleased to stand for questions at the appropriate time.

DOCKING STATE OFFICE BUILDING, 915 SW HARRISON ST., TOPEKA, KS 66612-1588
Voice 785-296- 3601 Fax 785-291-3755 <http://www.ksrevenue.org/>

Senate Transportation Committee
March 8, 2006
Attachment 4



Kansas Grain & Feed Association

P.O. Box 2429
816 SW Tyler
Topeka, KS 66601-2429

Phone: 785-234-0461
Fax: 785-234-2930
www.KansasAg.org

Statement in Support of HB 2878 Senate Transportation Committee March 8, 2006

Thank you Chairman Donovan, members of the Senate Transportation Committee. My name is Mary Jane Stankiewicz, I am Vice President and General Counsel for the Kansas Grain and Feed Association (KGFA). The KGFA is a voluntary state association with membership encompassing the entire spectrum of the grain receiving, storage, processing and shipping industry in the state of Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. Our members include both state and federally licensed warehouses. On behalf of our members I am appearing today in support of HB 2878.

Last year, the Legislature removed the exemption for out-of-state farmers that do not have an IFTA tag, to purchase individual motor fuel trip permits when they enter the state. That law has had the unintended consequence of driving grain business out of the state. One elevator in Kansas City estimates that over 1 million bushels of grain didn't come to their elevator as a direct result of last year's law.

Under the current law, permits are valid for one trip into the state, regardless of the number of miles actually driven. The permits are only valid the day they are purchased. For example, during harvest season, an out-of-state farmer might purchase 6 permits and only be able to use 4 in a given day. The other two permits are worthless and they must purchase new permits the next day.

HB 2878 is an attempt to make the law work better. We have worked with the Kansas Motor Carriers Association and the Department of Revenue to craft this bill so out-of-state truckers can comply with the law easily with the minimum amount of interaction with the state bureaucracy.

This bill creates a 72-hour permit at a cost of \$25 that allows the out-of-state trucker to make as many trips as they choose for a single rate. It also allows the out-of-state trucker to purchase multiple 72-hour permits at a time, lessening the amount of interaction they must have with the state.

We would recommend a minor amendment to the bill to allow for a 24-hour trip permit as well. The current fee is \$13 for a single trip, but HB 2878 eliminates individual trip permits altogether, in effect raising fees for anyone who only wants to make 1 trip into the state. We would suggest the committee amend HB 2878 to allow a 24-hour trip permit at the \$13 rate and a 72-hour trip permit at the \$25 rate.

Thank you Mr. Chairman, I'll stand for questions at the appropriate time.

Senate Transportation Committee
March 8, 2006
Attachment 5

HOUSE BILL No. 2878

By Committee on Transportation

2-10

9 AN ACT relating to motor fuel trip permits; providing for 72-hour per-
10 mits; amending K.S.A. 2005 Supp. 79-34,118 and repealing the existing
11 section.
12

13 *Be it enacted by the Legislature of the State of Kansas:*

14 Section 1. K.S.A. 2005 Supp. 79-34,118 is hereby amended to read
15 as follows: 79-34,118. Upon application to the director of taxation and
16 payment of the fee prescribed under this section any interstate motor fuel
17 user may obtain a trip permit which will authorize one commercial motor
18 vehicle to be operated *for a period of 72-hours* within this state without
19 compliance with the other provisions of the interstate motor fuel use act
20 and in lieu of the tax imposed by K.S.A. 79-34,109 and amendments
21 thereto. The fee for each trip permit issued under this section shall be
22 ~~\$12.50~~ until July 1, 2003, and ~~\$13~~ until July 1, 2020, and \$10 thereafter
23 ~~\$25~~. Trip permits may be purchased in multiples of three upon making

[Strike out]

24 proper application and payment of the required fees. The secretary of
25 revenue shall adopt rules and regulations specifying the conditions under
26 which trip permits will be issued and providing for the issuance thereof.
27 The secretary may designate agents or contract with private individuals,
28 firms or corporations to issue such trip permits so that such permits will
29 be obtainable at convenient locations.

30 Sec. 2. K.S.A. 2005 Supp. 79-34,118 is hereby repealed.

31 Sec. 3. This act shall take effect and be in force from and after its
32 publication in the statute book.

The fee for a 24 hour trip permit shall be \$13. The fee for a 72 hour trip permit shall be \$25.