

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Gary Hayzlett at 1:30 P.M. on February 13, 2007 in Room 519-S of the Capitol.

All members were present except:

Representative Terry McLachlan- excused  
Representative Tom Sloan- excused

Committee staff present:

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

Conferees appearing before the committee:

Martin Boire, Support Our Troops, Inc.  
Brad Smoot, Legal Counsel, Explore Information Services  
Sara E. Patrick, Director of Government Affairs, Explore Information Services  
Toni Roberts, Div. of Vehicles, Dept. of Revenue

Others attending:

See attached list.

Chairman Hayzlett opened the meeting with a hearing on **HB 2211**.

**HB 2211 - Support our troops license plate**

Chairman Hayzlett introduced Martin Boire, Chairman of Support our Troops, Inc. According to Mr. Boire, Kansas residents may make application for a support our troops license plate for each passenger vehicle or truck (Attachment #1) He said Kansas Support Our Troops, Inc. is the sponsoring organization of the distinctive plate issued under this section. The annual use fee for this plate would be \$25 with the proceeds being distributed to the sponsoring organization which shall use them for the benefit of the troops and their families in accordance with its articles of incorporation and bylaws.

Chairman Hayzlett called for other proponents or opponents of this bill. There being none the Chairman closed the hearing on **HB 2211**.

The Chairman opened hearings on **HB 2374**.

**HB 2374 - Division of vehicles, records, access**

The first proponent of this bill was Brad Smoot, Legal Counsel, Explore Information Services. According to Mr. Smoot, (Attachment #2) Explore gathers information from public records to assist government agencies, law enforcement, insurers and employers with regard to traffic safety and risk control. He said Kansas has long allowed insurers, law enforcement and auto manufactures to obtain such records in the interest of public safety. This bill would allow employers access to driving records of their employees who are required to drive vehicles as part of their jobs.

The next proponent was Sara Patrick, Director of Government Affairs, Explore Information Services. (Attachment #3) According to Ms. Patrick Explore Information Services has been the leading provider of driver violation monitoring services to the insurance industry for more than a decade. She said under federal law, employers of persons required to retain a commercial driver's license are mandated to review the driver's motor vehicle record on an annual basis. Ms. Patrick said **HB 2374** would allow the Kansas Department of Revenue to contract with employers or their authorized agents, such as Explore/USIS, to monitor employees who drive in the course of employment and provide motor vehicle records for those drivers identified with new traffic violation convictions each month. She concluded by saying allowing the Department of Revenue to contract with employers and their authorized agents to proactively monitor driving behaviors will incrementally increase state revenues.

CONTINUATION SHEET

MINUTES OF THE House Transportation Committee at 1:30 P.M. on February 13, 2007 in Room 519-S of the Capitol.

The Chairman drew the Committee's attention to written testimony submitted by R. Greer Woodruff, Sr., Vice President Corporate Safety and Security, J. B. Hunt Transport, Inc., in support of this bill.

The last conferee was Toni Roberts, Division of Vehicles. She said that even though they asked to be listed as neutral they are actually proponents of this bill. (Attachment #4) According to Ms. Roberts, **HB 2374** allows the Secretary of Revenue to enter into a lesser rate contract for the purpose of assisting an employer or an employer's authorized agent with monitoring the driving records of their employees to ensure driver behavior, performance or safety. She said it would allow the Division of Vehicles to offer the same monitoring service they currently provide to insurer's when processing application for, renewal of, or cancellation of an insurance policy.

Chairman Hayzlett called for other proponents or opponents. There being none, he closed the hearing on **HB 2374**.

The Chairman directed the Committee's attention to **HB 2071**. This bill had originally been passed favorably out of Committee on January 23, 2007 but was re-referred back to Transportation. There was discussion about removing Section 7 of the bill, which would have designated K-53 Highway as the Patriot Guard Highway. Representative Swanson made a motion to amend this bill to remove Section 7, seconded by Representative Worley and the motion carried. Representative Burgess made a motion to pass **HB 2071, as amended**, seconded by Representative Wetta and the motion carried.

There being no further business before the Committee the meeting was adjourned. The next meeting will be on February 14, 2007, at 1:30 p.m. in Room 519-S

# HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: 2-12-07

NAME	REPRESENTING
Paul Finney	see
Jim Bishop	USIS
Diane Albert	KDOR
Toni Roberts	KDOR
Carmen Alldritt	KDOR
Brad Smoot	Explore

**HOUSE TRANSPORTATION COMMITTEE**

**DATE** 2-13-07

<b>NAME</b>	<b>REPRESENTING</b>
MARTIN C. BOHR	SUPPORT OUR TROOPS

**A new Section 8-1,152 (Support our troops plate) is created to read:**

(a): On and after January 1, 2007, any owner or lessee of one or more passenger vehicles or trucks registered for a gross weight of 20,000 pounds or less, who is a resident of Kansas, upon compliance with the provisions of this section, may be issued one support our troops license plate for each such passenger vehicle or truck. Such license plates shall be issued for the same time as other license plates upon proper registration and payment of the regular license fee as provided in K.S.A. 8-143, and amendments thereto. This plate shall not be subject to the fee prescribed by 8-132(c). Provisions in this Section 1,152 shall control over statutory provisions at variance herewith.

(b): Kansas Support Our Troops, Inc. is the sponsoring organization of the distinctive plate issued under this section. The annual use fee for this distinctive plate shall be \$25. The annual use fee proceeds shall be distributed to the sponsoring organization which shall use them for the benefit of the troops and their families in accordance with its articles of incorporation and bylaws.

(c): Any applicant for a license plate authorized by this section may make application for such plates not less than 60 days prior to such person's renewal of registration date, on a form prescribed and furnished by the director of vehicles. Application for registration of a passenger vehicle or truck and issuance of the license plate under this section shall be made by the owner or lessee in a manner prescribed by the director of vehicles upon forms furnished by the director.

OK: (d): No registration or license plate issued under this section shall be transferable to any other person.

(e): Upon issuance and renewal of this distinctive license plate, the county treasurer, in addition to the regular license fee provided in K.S.A. 8-143, and amendments thereto, collect a \$2.00 fee for administration of this distinctive plate, and an annual use fee of \$25.00, which annual use fee shall be considered a voluntary contribution to the sponsoring organization and not a motor vehicle registration fee. The county treasurer shall deposit the \$2.00 fee into the special fund specified in K.S.A. 8-145(b). The annual use fee plate shall be distributed monthly by the county treasurer to the sponsoring organization. The whole field of the plate may be colored, provided that the readability of the plate numbers and letters is not impaired. The plate shall bear the appropriate emblem, color scheme, name or slogan, of the sponsoring organization, and if desired, its website address. This plate shall be issued in motorcycle size.

OK: (f): Kansas support our troops, inc. shall:

- (1) Pay the initial cost of silk-screening for license plates authorized by this section; and
- (2) provide to all county treasurers a toll-free telephone number where applicants can call Kansas support our troops, inc. for information concerning the application process or the status of their license plate application.

OK: (g): Kansas support our troops, inc., with the approval of the director of vehicles and subject to the availability of materials and equipment, shall design a plate to be issued under the provisions of this section.



**There is Good Continuing Revenue for County Treasurers from Offering Specialty Plates – Plus a Positive Image.**

Structured correctly, County Treasurers will get recurring revenue with specialty plates while enabling charities to raise money for their public benefit programs with fewer barriers.

It puts more voter traffic into County Treasurer’s offices and makes plate buying more fun and colorful as voting customers find out about the various public goods that the plates do. And the County Treasurer is seen as the one helping facilitate all of that public benefit. Many have an entire wall covered with colorful sample specialty plates and posters and literature about what they do. It makes the visit more of a positive interesting experience and less a taxing experience.

Example: assume that there are ten charity plates and a County Treasurer sells 1,000 of each one:

# of sales	Fee to County Treasurer	Revenue to County Treasurer
1,000	\$2.00	\$2,000
1,000	\$2.00	\$2,000
1,000	\$2.00	\$2,000
1,000	\$2.00	\$2,000
1,000	\$2.00	\$2,000
1,000	\$2.00	\$2,000
1,000	\$2.00	\$2,000
1,000	\$2.00	\$2,000
1,000	\$2.00	\$2,000
1,000	\$2.00	\$2,000
<b>TOTAL</b>		<b>\$20,000</b>

Further examples based on higher quantities or types:

15,000 plates would yield	\$30,000
20,000 plates would yield	\$40,000
40,000 plates would yield	\$80,000

In most states, the tag office remits the state its usual share, and retains the \$2.00 processing fee at the county level. Some send the charity’s share directly to the charity, others send it to the state treasurer who then sends it on. It simply depends on the existing revenue disbursement structure. Some transmit electronically to the charity’s bank account others by check. Most do so monthly, some quarterly, just following their usual payment transmittal cycle as another payee split entry.

# BRAD SMOOT

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Statement of Brad Smoot  
Legislative Counsel, Explore Information Services  
Regarding HB 2374  
House Transportation Committee  
February 13, 2007

Mr. Chairman and Members:

On behalf of Explore Information Services, a subsidiary of US Information Services (USIS), I am pleased to visit with you about HB 2374, introduced by this committee at our request. Explore gathers information from public records to assist government agencies, law enforcement, insurers and employers with regard to traffic safety and risk control. Explore was once a subsidiary of The Schwan Food Company of Salina, Kansas and only recently became a part of USIS. Sara Patrick, Explore Director of Government Affairs, is here to explain the scope and nature of our services in greater detail. I would just like to focus on a couple of introductory items.

It is common place for all states to make traffic records available on a limited basis and Kansas has long allowed insurers, law enforcement and auto manufacturers to obtain such records in the interest of public safety. The bill before you today would amend K.S.A. 2006 Supp. 74-2012 to allow employers access to driving records of their employees who are required to drive vehicles as part of their jobs. As you can imagine, employers from interstate trucking to pizza delivery have huge social and financial interests in putting only safe drivers behind the wheel.

Explore provides a service in other states where employers can monitor their drivers on a regular basis at a reasonable cost. With the amendments proposed in HB 2374, Kansas employers could take advantage of similar services.

The state of Kansas generates hundreds of thousands of dollars in receipts from this type of bulk access contract and the changes proposed in HB 2374 will, no doubt, increase that income as well as promote public safety, reduce employer liability and favorably impact insurance costs of many Kansas businesses.

Included in the materials provided to your committee is a letter from J.B. Hunt Transport, Inc., a large and well-known interstate trucking company, endorsing this legislation. As these services become better known in Kansas, I'm confident that other employers will also appreciate the benefits of this legislation.

We urge your favorable consideration of HB 2374. Thank you.

House Transportation  
Date: 2-13-07  
Attachment # 2

Statement of Sara E. Patrick  
Director of Government Affairs, Explore Information Services  
Regarding HB 2374  
House Transportation Committee  
February 13, 2007

Mr. Chairman and Members of the Committee:

Explore Information Services has been the leading provider of driver violation monitoring services to the insurance industry for more than a decade. In December 2005, we were acquired by USIS, one of the largest background screening and drug testing companies in the country. With this combination of competencies, we recently began offering driver violation monitoring services to the employment industry. This service, called Driver Violation Alert<sup>SM</sup> is currently offered in over 20 states.

Under federal law, employers of persons required to retain a commercial driver's license (CDL) are mandated to review the driver's motor vehicle record (MVR) on an annual basis. However, this federal requirement does not apply to non-CDL holders who drive in the ordinary course of their employment, nor does it consider the risk posed by a CDL holder who has multiple traffic violations between the time his/her MVR is reviewed each year. Through the operation of a monthly driver violation monitoring service, employers are better able to identify bad driving behaviors of all employees who drive during the course of employment and to avoid the liabilities associated with unsafe drivers.

HB 2374 would allow the Kansas Department of Revenue (KDOR) to contract with employers or their authorized agents, such as Explore/USIS, to monitor employees who drive in the course of employment and provide motor vehicle records for those drivers identified with new traffic violation convictions each month. Not only do employers benefit from this proactive process, but it also allows employees to more efficiently address concerns.



For instance, an employee may not be aware that his/her driving privileges have been administratively suspended due to unpaid child support obligations. Additionally, knowing that driving behaviors are being monitored creates a safe driving incentive for employees who drive in the ordinary course of employment, which benefits the general motoring population.

The provision of traffic violation information to employers by authorized agents, such as Explore/USIS, is governed by the Federal Fair Credit Reporting Act and the Federal Driver's Privacy Protection Act. We require that employers obtain consent from employees prior to monitoring their driving records, and we provide a process through which an employee may obtain a copy of the information we have received with an indication to whom we have provided the information. The information is safeguarded and multiple steps are taken to ensure proper use of the information, as well as to prevent and protect the information from unauthorized access.

Allowing the Department of Revenue to contract with employers and their authorized agents to proactively monitor driving behaviors will incrementally increase state revenues. Under such a contract, monitoring fees will be collected for each specified employee and MVRs will be purchased for each monitored employee with new traffic violations each month. As this service is currently not available, these revenues are not currently being recognized. Employers of CDL holders will still be required under Federal law to purchase an MVR at least once each year.

To enhance the safety of the roads and reduce potential liability of employers in Kansas, we encourage you to support HB 2374.

Thank you.

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**MEMORANDUM**

**TO:** Chairman Hayzlett  
House Committee on Transportation

**FROM:** Toni Roberts  
Division of Vehicles

**DATE:** February 13, 2007

**RE:** HB 2374

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House Bill 2374 allows the Secretary of Revenue to enter into a lesser rate contract for the purpose of assisting an employer or an employer's authorized agent with monitoring the driving records of their employees to ensure driver behavior, performance or safety.

Specifically, this legislation would allow the Division of Vehicles to offer the same monitoring service we currently provide to insurer's when processing application for, renewal of, or cancellation of an insurance policy.

This bill will allow the Division of Vehicles to offer an additional monitoring service that fits well within the Driver's Privacy Protection Act.

The Division of Vehicles enjoys a good working relationship with Explore Information Services and looks forward to providing a new service that supports motor vehicle safety.

I would be happy to address any questions you have.

House Transportation  
Date: 2-13-07  
Attachment # 4