

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Gary Hayzlett at 1:30 P.M. on March 6, 2007 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 Assistant

Conferees appearing before the committee:

Susan Duffy, Executive Director, Kansas Corporation Commission
Mark Schemm, Smith County Treasurer, representing the Kansas County Treasurers Association

Others attending:

See attached list.

Chairman Hayzlett opened the meeting with a hearing on **HB 2491**.

HB 2491 - Increasing transfer of certain balances in the motor carrier license fees fund to the state highway fund.

The only proponent was Susan Duffy, Executive Director, Kansas Corporation Commission. According to Ms. Duffy (Attachment #1) the July 2 transfer affects the KCC cash balance as year-end close activities are not finished processing until the second week of July. This bill would change the dates for the transfer of excess monies from the Motor Carrier License Fee Fund to the State Highway Fund from July 2nd to July 30th and January 2nd to January 30th. She also said the current \$400,000 balance needs to be increased to \$700,000 in order for the KCC to retain sufficient revenue to cover program expenditures.

There were no other proponents.

Chairman Hayzlett drew the Committee's attention to a letter of support for **HB 2491** from Secretary Deb Miller, Kansas Department of Transportation.

There were no opponents. Chairman Hayzlett closed the hearing on **HB 2491** and opened the hearing on **SB 210**.

SB 210 - County treasurers shall be deemed agents of the state for certain purposes.

The Chairman recognized Mark Schemm, Smith County Treasurer, representing the Kansas County Treasurers Association. Mr. Schemm gave a brief background on this issue. (Attachment #2) According to Mr. Schemm the Real ID Act states that agencies issuing drivers licenses must require from applicants a photo ID, birth certificate and "proof of the person's social security number" as evidence of lawful status. He said passage of **SB 210** will assist the Department of Revenue in achieving the minimum standards for drivers licenses and identification cards acceptable by federal agencies for official purposes. Mr. Schemm concluded by saying **SB 210** will keep drivers license and commercial drivers license renewal services locally for the state's older and working drivers and will keep a part of homeland security at home.

The Chairman asked if there were any other proponents on this bill and Carmen Alldritt, Director of Motor Vehicles rose to say they support passage of **SB 210**.

There were no opponents to this bill. Chairman Hayzlett closed the hearing on **SB 210**.

Chairman Hayzlett drew the Committee's attention to Minutes of the March 1, 2007, Committee Meeting. Representative Swanson made a motion to approve the Minutes, seconded by Representative Menghini and the motion carried.

CONTINUATION SHEET

MINUTES OF THE House Transportation Committee at 1:30 P.M. on March 6, 2007 in Room 519-S of the Capitol.

There being no further business to bring before the Committee the meeting was adjourned. The next meeting will be March 7, 2007, at 1:30 p.m. in Room 519-S.

HOUSE TRANSPORTATION COMMITTEE

DATE 3-6-07

NAME	REPRESENTING
MICKEY BILLINGER	KANSAS CO. TREASURERS ASSOC.
MARK E. SCHEMm	KANSAS CO TREAS ASSOC.
Cecilia Allred	KDOT
D. Dwyer	KCC
M. L. [unclear]	KCC
STEVE KARNELL	KS CO TREAS. ASSOC.
TOM DAY	KCC
GAIL JAMES	John Peterson
John Peterson	Capital Strategies
ROBYN HORTON	KS MOTOR CARRIERS ASSOC.
Ken Gudenkauf	KDOT
Tom Whitaker	Ks Motor Carriers Assoc.



KANSAS

CORPORATION COMMISSION

KATHLEEN SEBELIUS, GOVERNOR

BRIAN J. MOLINE, CHAIR

ROBERT E. KREHBIEL, COMMISSIONER

MICHAEL C. MOFFET, COMMISSIONER

House Transportation Committee
Representative Gary Hayzlett, Chair
March 6, 2007 at 1:30 pm, Rm. 519-S
Kansas Corporation Commission
Presented by Susan K. Duffy, Executive Director

The KCC requested introduction of HB 2491, amending K.S.A. 66-1,142, which controls the biannual transfers from the KCC Motor Carrier Fund to the State Highway Fund. The bill amends this section for two reasons.

1. The July 2 transfer affects the KCC cash balance as year-end close activities are not finished processing until the second week of July, and the funds used to pay these obligations are swept by Accounts and Reports before payments are made. Further, the imbalance of cash is exacerbated by the one time payments made at the beginning of every fiscal year.
2. The current \$400,000 balance needs to be increased to \$700,000 in order for the KCC to retain sufficient revenue to cover program expenditures.

This statute was last amended during the 1988 legislative session, when the balance was raised from \$200,000 to \$400,000. The KCC Transportation program expenditures in FY 1989 were \$1,235,328 compared to the estimated FY 2008 expenditures of \$1,962,836.

Attached is a letter from Secretary Deb Miller supporting the bill.

House Transportation
Date: 3-6-07
Attachment # 1



Kathleen Sebelius, Governor
Deb Miller, Secretary

<http://www.ksdot.org>

February 2, 2007

The Honorable Larry Powell
Representative, 52nd District
Capitol Building, Room 128-S
300 SW 10th Avenue
Topeka, Kansas 66612-1504

Dear Representative Powell:

The Kansas Department of Transportation (KDOT) supports the Kansas Corporation Commission's (KCC) request to amend K.S.A. 66-1,142 as follows:

- Increase the minimum ending balance in the KCC's Motor Carrier License Fee Fund (MCLFF) from \$400,000 to \$700,000.
- Change the dates for the transfer of excess monies from the MCLFF to the State Highway Fund (SHF) from July 2nd to July 30th and January 2nd to January 30th.

This would result in a one-time reduction of monies transferred to the SHF of \$300,000. This request is a prudent solution that will aid in the efficient operation of KCC's business function.

Sincerely,

Deb Miller
Secretary of Transportation

OFFICE OF THE SECRETARY OF TRANSPORTATION
Dwight D. Eisenhower State Office Building

700 S.W. Harrison Street; Topeka, KS 66603-3745 • (785) 296-3461 • Fax: (785) 296-1095

TTY (Hearing Impaired): (785) 296-3585 • e-mail: publicinfo@ksdot.org • Public Access at North Entrance of Building

TESTIMONY PRESENTED BY MARK E. SCHEMM,
SMITH COUNTY TREASURER
SUPPORTING SENATE BILL 210
IN THE HOUSE TRANSPORTATION COMMITTEE
MARCH 6, 2007

Chairman Hayzlett and members of this committee, my name is Mark Schemm, Smith County Treasurer and member of the Kansas County Treasurers Association Legislative Committee. I sincerely appreciate the opportunity you've given me to testify on behalf of Kansas County Treasurers in support of Senate Bill 210.

In 2005, Congress passed the Real ID Act as a part of a 2005 emergency Iraq war funding bill, the Department of Homeland Security will soon set national standards for state driver's license across the nation. The report released in September of 2006 by the National Governors Association and two other state-government groups has sparked a coast-to coast rebellion against REAL ID. Estimating the program's cost to state government at a shocking \$11 billion over the first five years, the report concluded that "the difficulties of complying with yet unpublished regulations by the statutory deadline of May 2008 are insurmountable.

The Real ID Act states that agencies issuing driver's license must require from applicants a photo ID, birth certificate, "proof of the person's Social Security number" evidence of lawful status. The driver's license issuing agent must verify all of those documents with the agencies that issued them keep digital copies of everything and store the copies on the card's electronic chip, which will probably be linked to a national database. Whether your license is valid thru 2008 or 2016, you'll have to get a new one in the next couple of years to comply with REAL ID and you will be required to make a trip to the licensing office every time you move even with in your own town. With all the new requirements that visit promises to be longer and more painful than ever.

And licenses will undoubtedly become more expensive as well. The states' estimate of \$11 billion amounts to \$55 per driver in additional costs. The yet unpublished report also indicated that to comply with REAL ID you will have to drive to a state licensing agency. That is why SB 210 is so important to the motoring public of Kansas. At the present time 72 county treasurers renew driver's license for Kansas drivers. REAL ID threatens that privilege because county treasurers are not "State Licensing Agencies" or even "agents of the State. Passage of SB 210 would make county Treasurers Agents of the State for Motor Vehicle and Driver's License renewal services.

Over the past several months county Treasurers conducted a petition to determine if the motoring public would like to keep driver's license and commercial driver's license renewal services at their local courthouse. The result was an overwhelming 80,467 signatures.

House Transportation
Date: 3-6-07
Attachment # 2

In the event the REAL ID Act becomes a reality Kansas will be in a better position to comply with the Federal Government policies and not lose federal funding which will undoubtedly be connected to the Act to insure compliance by states.

Implementation of the Real ID Act requires all individuals working in the driver's license application process to undergo appropriate security clearances. County Treasurers are prepared to bear the costs of the security clearance for their employees performing driver's license renewal services.

Passage of SB 210 will assist the Department of Revenue task of achieving the Minimum Standards for Driver's licenses and Identification Cards Acceptable by Federal Agencies for Official Purposes.

In conclusion Senate Bill 210 will keep driver's license and commercial driver's license renewal services locally for the states older and working drivers and will keep a part of homeland security at home.

At this time I would be happy to address any questions or concerns you might have. If not, I respectfully request your serious consideration and support of Senate Bill 210. Thank you for your time and attention to this very important issue.