

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 8:30 A.M. on March 6, 2007 in Room 527-S of the Capitol.

All members were present except:

Peggy Palmer- excused
Vicki Schmidt- excused

Committee staff present:

Hank Avila, Kansas Legislative Research Department
Mike Corrigan, Revisors of Statutes
Maggie Breen, Committee Assistant

Conferees appearing before the committee:

Representative Pat Colloton
Amy Campbell, Kansas Association of Beverage Retailers
Representative Ann Mah
Brad Smoot, Explore Information Services
Sara Patrick, Explore Information Services
Toni Roberts, Division of Motor Vehicles

Others attending:

See attached list.

Chairman Donovan opened the hearing on **Sub for HB 2042-Drivers' licenses, 21 year olds, renewals.**

Proponents:

Rep. Pat Colloton, said the issue she received the most complaints about after the laws went in effect in July, was the 21 year old drivers' license renewal. A law was passed last year that made the licenses automatically expire on the 21st birthday. If the birthday happened to fall on a weekend, a holiday, on a day when the drivers' license bureau wasn't open, or if you were away on vacation, you were without a valid drivers' license. There was a procedure to go in and get a two week paper license, but if you needed to fly or go somewhere that required a valid license, the piece of paper wasn't very useful plus you would need to go in again to get the permanent license. There were lots of objections so legislation was drafted to repeal it. The bill was sent to a subcommittee where a 45 day grace period was worked out and a **Sub for HB 2042** was developed and it passed in the House. (Attachment 1)

Amy Campbell, Kansas Association of Beverage Retailers, said they were a part of the compromise solution that was worked out. They, along with the Kansas Licensed Beverage Association, were proponents of the initial bill that created the vertical drivers' license as well as the bill dealing with expiration of the drivers' license on the 21st birthday. They very much appreciate the Drivers' License Division for coming in and talking about potential solutions, as well as the proponents of the first version of this bill, for reaching a compromise. The expiration date on the 21st birthday will be preserved but it still allows those individuals who need some sort of leeway to get their license renewed with a minimum of inconvenience. In many of the other states that have this law, they are allowed to come in and renew their license early. The reason that's not part of the solution here is that it would cost a significant amount of money to reprogram the system to create exceptions for those individuals who's 21st birthday was coming up. (Attachment 2)

Rep. Ann Mah, said her son turned 21 last year on a Sunday. She supported last year's bill because she was told he would be able to go in ahead of time and get his license. Then she received a letter saying he'd have to go in early and get a license then go back a second time to get another one. She said since the bureaus are closed 3 days out of 7, almost half the kids are going to turn 21 on days that the bureaus are closed. She learned that those kids who got their last license before July 1, 2006, get to carry their's until they actually expire. This substitute bill doesn't fix all the problems but it fixes a lot of them. (Attachment 3)

Philip Bradley, Kansas Licensed Beverage Association - Written Only (Attachment 4)

Chairman Donovan closed the hearing on **Sub for HB 2042** and opened the hearing on **HB 2374--Division**

CONTINUATION SHEET

MINUTES OF THE Senate Transportation Committee at 8:30 A.M. on March 6, 2007 in Room 527-S of the Capitol.

of vehicles, records, access.

Proponents:

Brad Smoot, testified for Explore Information Services, he said they gather public records for insurers, employers, and law enforcement throughout the country so they can deal with traffic safety and risk control. Federal and state law currently allows employers to request the driving records of their employees who will be operation company vehicles. The bill simply makes it easier, more efficient, and, hopefully, less expensive for employers to access the driving records to which they are otherwise entitled. It would allow the state to negotiate contracts with Explore or other vendors to match up the drivers with their driving records. He said the Kansas Motor Carriers Association and J. B. Hunt Transport, Inc. were also in favor of the bill. (Attachment 5)

Sara Patrick, Director of Public Affairs, Explore Information Services, said they have been a leading provider of driver violation monitoring services to the insurance industry for more than a decade. They were acquired a little more than a year ago by USIS, one of the largest background investigations and drug testing companies in the country. They have combined the competencies and begun offering driver violation monitoring services to the employment industry. This bill would provide a mechanism for employers, or their authorized agents like Explore, to contract with the DMV to pro-actively and cost-effectively monitor the driving behavior of employees required to drive in the course of their employment. The law requires employers to provide notice to employees when driving record information is used to make any decision with regard to hiring, retention, or promotion. Employees give their consent prior to the monitoring of their driving records. The employee may also request a copy of the report and has the right to dispute any inaccuracies on the report. (Attachment 6)

Toni Roberts, Division of Motor Vehicles, said she is responsible for all of the contracts that are authorized under K.S.A. 74-2012. She said **HB 2374** allows the Secretary of Revenue to enter into a lesser rate contract for the purpose of assisting in a monitoring service for employers. They wholeheartedly support the bill. The language in the bill was written by then and approved by their legal department. It fits well within the Drivers Privacy Protection Act and they have enjoyed a very good working relationship with Explore for many years. (Attachment 7)

Kansas Motor Carriers Association - Written Only (Attachment 8)

J. B. Hunt Transport, Inc. - Written Only (Attachment 9)

The meeting adjourned at 9:10 a.m. The next meeting is scheduled for March 7th.

STATE OF KANSAS
HOUSE OF REPRESENTATIVES

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PAT COLLOTON
28TH DISTRICT

March 6, 2007

Dear Chairman Donovan and Committee Members:

I urge you to support Substitute for HB 2042. The substitute is the result of the work of a House subcommittee where a compromise to the original bill was developed. As a proponent and sponsor of the original bill, I urge you to adopt this substitute version.

The problem addressed is that the 21 year old driver license renewal law adopted in the last legislative session causes the automatic repeal of the driver's license on the 21st birthday. This means that if the birthday falls on a weekend, a holiday, a day the local driver license office is not open, or if the family is away on vacation, visiting out of town friends or if the driver is otherwise unavailable on that day, the license automatically expires. The renewal license cannot be obtained in advance of the 21st birthday.

If the driver wants to drive legally he may obtain a temporary license. The temporary paper license is suspect for airplane travel or police stops or entrance into events requiring the showing of a valid driver's license. It necessitates a second visit to the driver license bureau to get the regular license.

Many constituents who have had their children turn 21 since July 2006 have called, written or emailed to complain about the unnecessary inconvenience of this law. By allowing a 45 day grace period after the 21st birthday for renewal of the license, a substantial number of those affected are relieved of this inconvenience.

For all these reasons, I urge your support of Substitute for House Bill 2042.

Respectfully submitted,

A handwritten signature in black ink that reads "Pat Colloton".

Pat Colloton



The Kansas Association of Beverage Retailers

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Larry Knackstedt, President

Amy A. Campbell, Executive Director

**TESTIMONY PRESENTED TO THE
SENATE COMMITTEE ON TRANSPORTATION
MARCH 6, 2007
BY AMY A. CAMPBELL, EXECUTIVE DIRECTOR**

Thank you, Chairman and members of the Committee. My name is Amy Campbell and I appear before you today on behalf of the Kansas Association of Beverage Retailers to support Substitute for HB 2042. The Kansas Association of Beverage Retailers represents the State licensed owners of retail liquor stores. Currently, there are 732 stores in the state of Kansas.

KABR supports substitute for HB 2042 because it retains the statutory requirement that a driver's license be renewed at the age of 21. This is a simple requirement that makes the use of vertical driver's licenses meaningful. It is one more step in the partnership between liquor store licensees and the State in preventing underage access to adult beverages.

KABR members are small business owners. The responsibility for every action of the employees within that store comes to rest on the liquor store owner. This includes administrative penalties for illegal sales, which result in fines from \$100 to \$1000 per individual and suspension of the license for 1 weekend day up to 14 consecutive days. If not corrected, the license can be revoked. These are serious implications. Imagine that you have owned your store for ten years and there is a State agency which on any given day will send an underage individual through your front doors to "test" the employee on duty. For many of our stores, the employee on duty is the owner. For the others, this is a serious risk to be managed on a daily basis.

This is why our organization has worked hard to implement our licensee and employee training program. Beverage Alcohol Training (B.A.T.) is a nationally recognized training program and our instructors - who are liquor store owners themselves - are certified to conduct these seminars. KABR determined long ago that server training might provide a partial solution to punitive ABC enforcement actions. We also support certified training as an optional diversion for administrative penalties for first time offenses. Additionally, we are always searching for methods to demonstrate to you and the public that State licensed liquor stores are operated in a responsible manner. We are committed to insuring that state licensed liquor stores are the safest place for the legal sale of adult beverages to the public.

Attracting and maintaining good employees is one of the challenges faced by our members. Liquor store employees must be 21 years of age and do not typically work for minimum wage. These employees face criminal charges if they make a mistake and sell to an underage individual. The misdemeanor charge against the clerk is prosecuted locally and the State manages the administrative charges against the licensee. And yet - mistakes are made. We hope the State will share our commitment to preventing underage sales and taking steps to deter underage kids from even attempting to buy adult beverages.

Kansas qualifies for \$1.5 million from the Federal Government for its efforts in reducing alcohol related fatalities. One of the requirements for qualifying for this grant is to implement efforts to reduce underage access to alcohol. The driver's license initiative is simply another tool in this effort.

We support the work of the House Transportation Committee which will maintain the requirement that driver's licenses be renewed at the age of 21. Please pass Substitute for HB 2042.

Senate Transportation Committee
3-6-07
Attachment 2

ANN E. MAH
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TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
EDUCATION
FEDERAL AND STATE AFFAIRS
GOVERNMENT EFFICIENCY AND
TECHNOLOGY

Testimony – Rep. Ann Mah
HB 2042
Senate Transportation Committee

Thank you, Chairman Donovan and committee for allowing me to testify today. I am testifying in favor of HB 2042 because of my personal experience as the parent of a young man who turned 21 on a Sunday this year and because I believe the current law is bad public policy.

I voted for this law last year because I was assured my son could go in ahead of time at his convenience and get his license renewed. What I later found out was that those turning 21 on a weekend or holiday or a Monday when the bureaus are closed, or were living out of state, or were in Las Vegas celebrating the day, or were otherwise unable to get to a license bureau on their 21st birthday had to come in prior to their birthday and get an extension of their license (to avoid getting a fine for driving without a license). Then they had to make a second visit after their birthday for the actual license renewal. The law is simply an inconvenience and a waste of time and money.

If you have not been hearing from your constituents about this law, it is because relatively few have been through the process due to the grandfathering of those who got their last license before July 1, 2006. We have the opportunity now to turn this “clunker” around before the public experiences problems en masse. Allowing an extension of 45 days after the 21st birthday is a good compromise that meets the goal of reducing underage drinking (by those who borrowed the old licenses) and allowing 21-year olds to get a new license without an inconvenience. I would appreciate your support of this bill.



*Kansas
Licensed
Beverage
Association*

President
James "Jim" Fager

Vice Presidents
Tammy Davis
Tom Intfen
Robert Farha
Jim Hendricks
Curt Melzer
Richard Markle
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Testimony on Sub. HB 2042, March 6, 2007
Senate Transportation Committee

Mr. Chairman, and Senators of the Committee,

I am Philip Bradley representing the Kansas Licensed Beverage Assn., the men and women, in the hospitality industry, who own and manage bars, clubs, caterers, restaurants, breweries and hotels where beverage alcohol are served. Thank you for the opportunity to submit testimony today.

We support Substitute HB-2042 and urge you to vote for it.

We opposed the original HB 2042 however the substitute adequately addresses our concerns. For the new members of the committee perhaps some back ground would be helpful. In 2003 the legislature passed SB-159, establishing the use of Vertical DL and ID cards. This action requested and advocated by the KLBA has assisted in our mutual goal of assuring that underage persons do not get access to beverage alcohol in Kansas. SB-159 passed with huge support (Senate 39-0, House 121-2) and was signed into law. Since then this statute has been implemented with great success. Many other states use the same Vertical DL/ID process. **Unfortunately there was one vital tool missing in our law that other states use to attain our mutual goal.** Although Vertical ID cards expire on the 21st birthday, this was left out of the DL statute. This fatal flaw was corrected in 2006 with SB 554. (passed the House 112 to 10 and the Senate 40 to 0)

The reason to have a differently appearing DL/ID for those under 21 is to reduce the accessibility of alcohol to underage persons. This helps in several ways; 1) immediate and obvious recognition that this is an underage card; 2) that underage persons could not "pass on" or sell their existing valid ID to others when they become 21 and replace their card; 3) assuring that no person over 21 has a valid vertical card.

We now have a DL that is extremely difficult to counterfeit and easier than ever to verify authenticity. *However that is all lost if someone is using a real DL to obtain alcohol illegally.* The appearance of our youth varies greatly from 15 to 21 years of age. **NOW anyone using a vertical ID will either be underage or using an expired card and this will assist all of us in preventing underage access to alcohol.**

We have worked with the KDOR, Drivers License Bureau and appreciate their help. We also thank Mr. Kinzie for his efforts and skills.

Other supporters- In the law enforcement community, we were given and continue to receive support by the following associations; *the Kansas Peace Officers Association, the Kansas Association of Chiefs of Police and the Kansas Sheriff's Association.* Also in support are the *Kansas Association of Beverage Retailers and the Petroleum Marketers and Convenience Store Assn. of Kansas.*

In summary, expiration of the vertical license at 21 is working to prevent underage access to alcohol. Any difficulties that exist are in the renewal process and this bill addresses those challenges. I am willing and ready to assist in this endeavor.

Thank you for your consideration,

Philip Bradley
Executive Director

Senate Transportation Committee
3-6-07
Attachment 4

BRAD SMOOT

ATTORNEY AT LAW

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Statement of Brad Smoot
Legislative Counsel, Explore Information Services
Regarding HB 2374
Senate Transportation Committee
March 6, 2007

Mr. Chairman and Members:

On behalf of Explore Information Services, a subsidiary of US Investigations Service (USIS), I am pleased to visit with you about HB 2374, introduced 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, employers, law enforcement, auto manufacturers and others to obtain such records in the interest of public safety. Federal and state law currently allows employers to request the driving records of their employees who will be operating company vehicles. 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. The bill before you today would amend K.S.A. 2006 Supp. 74-2012 to allow the division of motor vehicles to negotiate contracts with Explore and other vendors for the efficient and cost effective delivery of these records.

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 are letters from the Kansas Motor Carriers Association and 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.

Statement of Sara E. Patrick
Director of Government Affairs, Explore Information Services
Regarding HB 2374
Senate Transportation Committee
March 6, 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 is currently offered in over 20 states.

The federal Driver's Privacy Protection Act, 18 U.S.C. § 2721 et seq., and Kansas state law, K.S.A. § 74-2012, currently permit employers to review the driving records of their employees. However, the cost of reviewing these records prevents many employers from doing so. House Bill 2374 allows the Kansas Division of Motor Vehicles (DMV) to contract with employers or their authorized agents to proactively and cost-effectively monitor the driving behaviors of those employees required to drive in the course of their employment. 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.

The provision of traffic violation information to employers by authorized agents, such as Explore/USIS, is governed by the Federal Fair Credit Reporting Act. This law requires employers to provide notice to employees when driving record information is used to make any decisions with regard to hiring, retention, or promotion. We require that the employers obtain

consent from employees prior to monitoring their driving records, ensuring that the employees are aware that their driving record information may be accessed. Additionally, we provide a process through which an employee may obtain a copy of the information we have provided to their employer. These reports indicate what information we have received and to whom we have provided the information. The employees are also provided information regarding the right to dispute or question the validity of any reported information. We are obligated to investigate, respond, and correct any inaccurate information within very limited timeframes. We recognize the sensitivity of this information and it is safeguarded at all times. Multiple steps are taken to ensure proper use of the information, as well as to prevent and protect the information from unauthorized access.

In addition to improving traffic safety, allowing the DMV to contract with employers and their authorized agents to proactively monitor driving behaviors will incrementally increase state revenues. Currently, Explore contracts with the DMV to monitor the driving violations of insured drivers on behalf of our insurance company customers. A monthly per driver violation monitoring fee is assessed, and a full driving record is ordered at the statutory fee for each driver that has new violation activity in the previous month. House Bill 2374 will allow this system to be utilized by employers or their authorized agents, resulting in an incremental increase in state revenues through the assessment of monthly monitoring fees and additional purchases of full driving records.

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

Thank you.

MEMORANDUM

TO: Chairman Donovan
Senate Committee on Transportation

FROM: Toni Roberts
Division of Vehicles

DATE: March 6, 2007

RE: HB 2374

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.



Kansas Motor Carriers Association

Trucking Solutions Since 1936

March 2, 2007

Mike Miller
Miller Trucking, LTD
President

Calvin Koehn
Circle K Transport, Inc.
Chairman of the Board

Michael Topp
TT&T Towing, Inc.
First Vice President

Larry Dinkel
Mitten Trucking, Inc.
Second Vice President

Greg Orscheln
Midwest Express Corp.
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Larry "Doc" Criqui
Kansas Van & Storage
Criqui Corp.
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Jerry Arensdorf
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ATA State Vice President

Ken Leicht
Rawhide Trucking, Inc.
ATA Alternate State VP

Mike Ross
Ross Truck Line of Salina, Inc.
ProTruck PAC Chairman

Kelly Kile
Wal-Mart Stores, Inc.
Public Relations Chairman

Dave Eaton
Cummins Central Power, LLC
Allied Industries Chairman

Tony Gaston
Rawhide Trucking
Foundation Chairman

Tom Whitaker
Executive Director

Senator Les Donovan
Chair, Senate Transportation Committee
State Capitol, Room 261-E
300 SE 10th Ave
Topeka, KS 66612

Re: Support for HB 2374

Dear Senator Donovan:

On behalf of Kansas Motor Carriers Association, representing over 1,200 member-firms, companies, I am writing in support of House Bill No. 2374. This legislation will allow the Division of Vehicles of the Kansas Department of Revenue to provide information contained in a driver's record to motor carriers to monitor the driving behavior of company drivers on a timely basis.

Monitoring the driving behavior of company drivers provides benefits to the motor carrier and improves road safety for the general public. Liability claims for accidents and negligence can reach staggering levels. Motor carriers can reduce their exposure to liability and offer a higher level of safety to the motoring public through access to driver violation monitoring.

At KMCA, safety is our number one priority. Passage of House Bill No. 2374 will add another tool to the trucking industry in our efforts to reduce accidents involving large trucks. We respectfully request that the Senate Transportation Committee report House Bill No. 2374 favorable for passage.

Sincerely,

Tom Whitaker
Executive Director



J.B. HUNT TRANSPORT, INC.

March 2, 2007

Senator Les Donovan
Chair, Senate Transportation Committee
State Capitol, Room 261-E
300 SE 10th Ave
Topeka, KS 66612

Re: Support for HB 2374

Dear Senator Donovan:

On behalf of J.B. Hunt Transport Services, Inc, one of the largest transportation logistics companies in North America, I am writing in support of House Bill No. 2374. This bill would allow the Kansas Department of Revenue to provide information contained in a driver's record to employers or their agents to monitor the driving behavior of employees required to drive in the course of employment.

Monitoring the driving behavior of employees provides benefits to employers and improves road safety for the general public. Liability claims for accidents and negligence can reach staggering levels. Employers can reduce their liability and offer a higher level of safety to the motoring public through access to driver violation monitoring.

At J.B. Hunt, we focus on safe and reliable transport of full truckload freight throughout the continental United States. We hope the State of Kansas will pass this legislation and provide a valuable tool for employers to reduce liability and improve road safety for citizens in the State of Kansas.

Sincerely,

A handwritten signature in black ink, appearing to read "Greer Woodruff", is written over a horizontal line.

Greer Woodruff
Vice President, Corporate Safety

Senate Transportation Committee
3-6-07