

## MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Gary Hayzlett at 1:30 P.M. on February 20, 2008 in Room 519-S of the Capitol.

All members were present except:

Representative Mike Burgess- excused  
Representative Terrie Huntington- excused  
Representative Gene Rardin- excused

Committee staff present:

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

Conferees appearing before the committee:

Dan Murray for John Federico, representing National Vehicle Protection Association  
Victor L. Smith, Executive Director and General Council, Nat'l. Vehicle Protection Ass'n  
Don McNeely, President, KS Automobile Dealers Association.  
Terry Heidner, KDOT Legislative Liaison  
Bob Totten, KS Contractors Association  
Captain Mark A. Bruce, Kansas Highway Patrol

Others attending:

See attached list.

The Chairman opened the meeting. He opened the hearings on **HB 2725**.

**HB 2725 - The vehicle protection product act**

The Chairman recognized Dan Murray who stepped in for John Federico who had to be absent due to an emergency. Mr. Murray introduced Victor L. Smith, Executive Director and General Council of the National Vehicle Protection Association. Mr. Murray and Mr. Smith explained **HB 2725**. (Attachment #1) They said **HB 2725** would create the Vehicle Protection Product Act which concerns products installed on vehicles which are designed to prevent loss or damage and the warranties associated with such products. This bill would exempt these warranties from the requirements of the laws concerning the regulation of insurance and service contracts. The bill would establish a specific set of conditions under which vehicle protection products may be sold and warranted. The products covered by the proposed legislation are anti-theft products with warranties. The products deter the theft of vehicles and assist in the recovery if stolen.

There was discussion on **Substitute HB 2725** which staff explained answers the question that the products being sold are not insurance. The Automobile Dealers Association was concerned that there was too much detail for such a little issue and that the one issue that needed to be answered was that this product is not insurance. He said what the substitute does is define two key definitions from the bill - "the vehicle protection product" and "the vehicle protection product warranty" which are the same as in the bill. The key part is subsection (b) "stating "Vehicle protection products are not required to comply with and are not subject to any provisions of chapter 40 of the Kansas Statutes Annotated..." They are not subject to Insurance which answers the key question without going into detail.

The Chairman recognized Don McNeely, President of the KS Automobile Dealers Association. (Attachment #2) According to Mr. McNeely, discussions with the Vehicle Protection Association have been going on for some time. When the Insurance Department was approached about this bill they did not see it as an issue in Kansas with these products. The Insurance Department's position was that there are enough laws in Kansas not being enforced so Mr. McNeely asked if the responsible agency does not want the bill, who would enforce it or oversee it?

There were no other proponents and no opponents. Chairman Hayzlett closed the hearing on **HB 2725**.

CONTINUATION SHEET

MINUTES OF THE House Transportation Committee at 1:30 P.M. on February 20, 2008 in Room 519-S of the Capitol.

The Chairman opened hearings on **HB 2756**.

**HB 2756 - Traffic regulation, fines in road construction zones**

The Chairman recognized Terry Heidner, Legislative Liaison for KDOT. Mr. Heidner explained the bill and the reasons for the bill. (Attachment #3) According to Mr. Heidner under current law a double-fine is imposed on motorists convicted of moving violations within a road construction zone. This bill would add an additional \$250.00 to this double fine. Mr. Heidner explained that after the deaths of two highway workers, KDOT and the Kansas Highway Patrol coordinated a committee to provide recommendations for changes that would result in a higher degree of work zone safety. One of the recommendations from the committee was to increase the fine for a person convicted of a moving violation committed within any road construction zone.

The next proponent was Bob Totten, Public Affairs Director for the Kansas Contractors Association. (Attachment #4) Mr. Totten said his association represents over 400 companies who are involved in the construction of highways and water treatment facilities in Kansas and the Midwest. He said he wanted to voice support of **HB 2756** because their highway construction workers are sometimes placed in harms way and they want to do anything possible to make their jobs safer. He suggested requiring KDOT to indicate on signs how much the ticket is going to cost drivers speeding through construction zones.

Chairman Hayzlett drew the Committee's attention to the written testimony submitted by Captain Mark Bruce with the Kansas Highway Patrol. (Attachment #5)

There being no other proponents and no opponents, the Chairman closed the hearings on **HB 2756**.

It was the Chairman's desire to work **HB 2770** - An act giving secretary of revenue rule and regulation authority to set fees for photos, not to exceed \$20. The Chairman opened for discussion or motions. After some discussion, Representative King made a motion to amend this bill by removing the rule and regulation authority and to limit the increase to make a total of \$12, seconded by Representative Ballard, motion carried. Representative Sloan made a motion to have this bill become effective January 1, 2009, seconded by Representative King and the motion carried.

Representative Treaster made a motion to favorably pass **HB 2770**, as amended, seconded by Representative McLachlan and the motion carried.

The Chairman opened **HB 2824** for discussion and motions. Representative Sloan made a motion to favorably pass **HB 2824** and put it on the Consent Calendar. Representative Wetta seconded the motion and the motion carried.

There being no further business before the Committee, the meeting was adjourned. The next meeting will be February 21, 2008, at 1:30 p.m. in Room 519-S.

# HOUSE TRANSPORTATION COMMITTEE

DATE 2-20-08

NAME	REPRESENTING
Gelene Savage	KDOT
Terry Heidner	KDOT
DON McNEELY	KADA
WHITNEY DAMRON	KADA
Tom Whitaker	KMCA
Bob Totten	K2 Contractors Assoc
Sean Miller	CAPITOL STRATEGIES
Kerri Spielman	KATA

# HOUSE TRANSPORTATION COMMITTEE

DATE 2-20-08

NAME	REPRESENTING
Dan Murray	Federico Consulting
Victor Smith	Nat'l Vehicle Protection Assoc
Jeff B. Henborg	State Farm
Cindy Holmes	KID
MARK BRUCE	KHP
Woody Moses	KATA
Curt Kitson	Monarch Cement Co



## Testimony In Support of Substitute for HB 2725

John J. Federico

On Behalf of the NVPA

House Transportation Committee

February 20, 2008

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I am pleased to appear before you today in support of Substitute for HB 2725. I appear on behalf of the National Vehicle Protection Association. I have with me today, Victor Smith, Executive Director and General Counsel of the NVPA. We are appreciative of the opportunity to work with Don McNeely of the Kansas Automobile Dealer's Association and put forth a bill that establishes much needed regulatory certainty as it pertains to the oversight of the sale of automobile anti-theft products.

In short, Substitute for HB 2725 would simply ensure a viable market of vehicle protection products at reasonable prices by preventing the product's warranty from being regulated as an insurance product.

The products covered by the proposed legislation are anti-theft products with warranties. The products deter the theft of vehicles, and assist in the recovery if stolen. And, in the case of product failure, the product warranty protects consumers from losses associated with the theft to the extent that the consumer's loss exceeds the vehicle's insurance coverage.

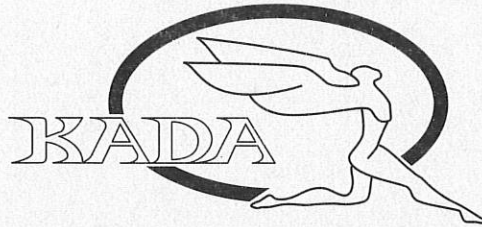
The need for the legislation centers around the fact that anti-theft product marketers have encountered claims that the products' warranties constitute insurance products and therefore should be regulated as insurance. These claims, although unfounded, create uneasiness and uncertainty for our vendors, which are typically automobile dealerships.

Substitute for HB 2725 would provide the necessary regulatory certainty for our vendors and for that matter, the consumer. To date, 22 other states have enacted similar legislation preventing the over-regulation of the sale of such products.

As mentioned, the NVPA worked closely with the KADA to construct a bill that is palatable to both entities. Additionally, we submitted the bill to the Department of Insurance for their review and they are comfortable that the warranties that accompany these products are not insurance and should not be regulated as such.

We are hopeful you will support Substitute for HB 2725 and I am happy to stand for questions at the appropriate time.

House Transportation  
Date: 2-20-08  
Attachment # 1



## KANSAS AUTOMOBILE DEALERS ASSOCIATION

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February 20, 2008

To: The Honorable Gary Hayzlett, Chair  
And Members of the House Transportation Committee

From: Don McNeely, KADA President

Re: Substitute for HB 2725 - An Act relating to vehicle protection products;  
providing exemption for insurance laws.

Good afternoon Chairman Hayzlett and Members of the House Transportation Committee. I am submitting this written testimony on behalf of the Kansas Automobile Dealers Association in support of the Substitute for HB 2725, which clarifies that vehicle protection products are not contracts of insurance, but warranty products.

Many automobile dealers in Kansas market various types of theft deterrent systems from alarm and security labeling systems to GPS tracking devices. It has been proven that vehicles with theft deterrent systems are less likely to be stolen for a variety of different reasons. The majority of these security systems are sold with limited warranties with a cash benefit to cover some of the expenses resulting from a motor vehicle theft. In addition, many property casualty insurance companies offer premium discounts for vehicles equipped with a security system, due to the fact, they have been found to deter thieves and aid law enforcement in vehicle recovery.

On behalf of the members of the Kansas Automobile Dealers Association, I thank you for the opportunity to present these comments in support of the Substitute for HB 2725.

House Transportation  
Date: 2-20-08  
Attachment # 2

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**TESTIMONY BEFORE  
HOUSE TRANSPORTATION COMMITTEE**

**REGARDING HOUSE BILL (HB) 2756  
Concerning fines in road construction zones**

**February 20, 2008**

Mr. Chairman and Committee Members:

I am Terry Heidner, Kansas Department of Transportation's (KDOT) Legislative Liaison and I am here to provide testimony on HB 2756, concerning fines in road construction zones.

Under current law, a double fine is imposed on motorists convicted of moving violations within a road construction zone. HB 2756 would add an additional \$250.00 to this double fine.

After the tragic deaths of two highway workers in 2007 that were struck by a vehicle in a work zone, KDOT and the Kansas Highway Patrol coordinated a committee to evaluate options and provide recommendations for changes that would result in a higher degree of work zone safety. On January 30, 2008, the Work Zone Safety Committee presented this topic and its recommendation to the House Transportation Committee. One of the recommendations of the task force was to increase the fine for a person convicted of a moving violation committed within any road construction zone, as stated in HB 2756.

Aside from our ongoing concern for our workforce, every year in Kansas, 10 to 25 people are killed and 500 to 1,000 more are injured in road construction zones. Nationally, approximately 85% of those killed in work zones are drivers and their passengers. Any action that can be taken to make road construction zones safer will benefit the traveling public.

Therefore, KDOT supports passage of HB 2756.

House Transportation  
Date: 2-20-08  
Attachment # 3

# THE KANSAS CONTRACTORS ASSOCIATION, INC.



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DON CLARKSON, Vice President  
Kansas City, Missouri

KIP SPRAY, Treasurer  
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TROY SPORER  
Oakley, Kansas

MARY SULLIVAN  
Kansas City, Kansas

## Testimony

By the Kansas Contractors Association before the House

Transportation Committee

regarding HB 2756

February 20, 2008

Mr. Chairman and members of the House Transportation Committee, I am Bob Totten, Public Affairs Director for the Kansas Contractors Association. Our organization represents over 400 companies who are involved in the construction of highways and water treatment facilities in Kansas and the Midwest.

Today, I want to voice our support of House Bill 2756. Our highway construction workers are sometimes placed in harm's way and anything that KDOT or others can do to make their jobs safer is very much appreciated.

KDOT has outlined some very good changes that they plan to make in the future and our construction companies will work with KDOT to get this accomplished.

From a personal standpoint, the only construction job I had was being a flag person almost 40 years ago. From what I understand, the traffic treats flag people about

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Attachment # 4



like they did in the late 60's. ....with little respect. Holding a flag six feet away from 40-60 mile per hour traffic is scary....and as you can imagine it sometimes does end in tragedy. ...more times than we would like to attempt.

So we appreciate the efforts KDOT has made with rumble strips, additional signage and now plans to remove the flag person from the traffic lanes. Those will help work zone safety but I wonder if we are going far enough with the fines. Doubling the fines makes a statement and is part of the signage now when you enter a construction zone...but should Kansas be stronger on this subject. I notice that in Missouri when I go to the airport, there is a sign that says hit a worker, lose your license and a \$10,000 fine.

I like that approach so I wonder if the new measure should be structured along those lines instructing KDOT what should be on the signage. My first question when researching this measure was to determine what the price of the ticket would be once this measure is put into law. I found out it is going to be around \$400. With that in mind, why don't we require KDOT to be put that information on the signs as we enter a construction zone. I would imagine it might get some drivers attention. I know it would get mind.

No matter what the Kansas Contractors Association supports this legislation and ask that you vote favorably on this issue. If you have any questions, I'll be glad to answer them at your convenience.

**Written Testimony on House Bill 2756**  
**House Transportation Committee**

**Prepared by**  
**CAPT Mark A. Bruce**  
**Kansas Highway Patrol**

**February 20, 2008**

The Kansas Highway Patrol is presenting this written testimony to express its support for House Bill 2756. This bill is specifically and exclusively related to increasing the fine associated with committing a moving violation within a road construction zone. It is a critical component emerging from a Work Zone Safety Committee that made several recommendations before this committee on January 30, 2008.

Each and every year lives are lost and people are injured unnecessarily in road construction zones across the nation. Unfortunately, Kansas is no exception to these tragedies. Consequently, Kansas Department of Transportation Secretary Deb Miller and Kansas Highway Patrol Superintendent William Seck partnered their agencies in creating a Work Zone Safety Committee to explore measures to improve safety in these zones.

The nine members of this committee consulted with other states as they crafted recommendations that they believed would enhance safety in Kansas. The results were categorized and are enumerated as follows:

1. **Standards or Specification Modifications:** establishing consistent operations employed in road construction zones so that motorists are conditioned to expect similar traffic control measures employed across the state.
2. **New Devices:** available technology that can be incorporated into or replace current methods to control road construction zone traffic.
3. **Education:** reminding the motoring public via various public service announcement avenues of the dangers inherent with zones.
4. **Legislation:** strengthening laws that address infractions committed within these zones.

Traffic safety is an arena that requires a combination of activities and efforts to maximize its effectiveness. It is hoped, but unrealistic to believe, that categories 1-3 above, in and of themselves, will contribute to making road construction zones as safe as possible. Consequently, aggressive penalties must play a part in the holistic approach to this problem.

House Bill 2756 proposes to increase the fine for committing a moving violation within a road construction zone by \$250. This proposal brings the fines in Kansas into alignment with our surrounding states and serves as an indication to motorists how serious this issue is. Most importantly, it serves as a cornerstone in our collective efforts to save lives and reduce injuries.

The Kansas Highway Patrol appreciates the opportunity to provide written testimony on this most important traffic safety topic. We would be happy to address any questions or provide follow-up information should the committee deem necessary.

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