

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Gary Hayzlett at 1:30 P.M. on February 21, 2008 in Room 519-S of the Capitol.

All members were present except:

Representative Tom Sloan- 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:

Nancy Weeks, Chair of KS County Treasurer's Legislative Committee

Charles M. Letcher, Treasurer of Johnson County

Others attending:

See attached list.

Chairman Hayzlett opened the meeting and opened hearings on **HB 2358**.

HB 2358 - Certificates of title, notice of lien

Chairman Hayzlett recognized Nancy Weeks, Haskell County Treasurer and Chair of the Kansas County Treasurer's Legislative Committee. (Attachment #1) According to Ms. Weeks, this bill concerns the lien holder fee each treasurer collects on vehicles that are titled with liens. She said their customer has paid the lien holder fee to the lien holder then the treasurer bills the lien holder each month for those liens recorded. The lien holder then has to mail a check back to the treasurers office. Ms. Weeks said this bill would allow them to collect from customers at the time they tag and title the vehicle and record the lien.

Ms. Weeks said they also wanted to amend **HB 2358**. The amendment would be on page 4, line 43 and page 5, line 1, as follows "...The county treasurers shall mail a copy of the title application to the ~~Kansas~~ lienholder. ~~Each county treasurer shall charge the Kansas lienholder~~ For any vehicle subject to a lien, the county treasurer shall collect from the applicant a \$1.50 service fee for processing and mailing a copy of the title application to the Kansas lienholder." Ms. Weeks concluded by saying the Kansas County Treasurer's feel this is a more efficient and effective way of doing business.

Chairman Hayzlett drew the Committee's attention to the written testimony of Charles M. Letcher, Treasurer of Johnson County. (Attachment #2)

When the Chairman asked if there was anyone else who wished to speak, Carmen Alldritt, Director of Motor Vehicle Division came forward in support of **HB 2358**.

There were no other proponents and no opponents so the Chairman closed the hearing on **HB 2358**.

It was the Chairman's desire to work **HB 2725**. He opened the bill for discussion, questions or motions. John Federico stepped forward to refresh the Committee about the bill. Representative George made a motion to amend **HB 2725 with Substitute HB 2725**, seconded by Representative Vickrey and the motion carried.

Representative Peck made a motion to favorably pass **Substitute HB 2725**, seconded by Representative King and the motion carried.

There being no further business before the Committee, the meeting was adjourned. The next meeting will be on February 25, 2008, at 1:30 p.m. in Room 519-S.

HOUSE TRANSPORTATION COMMITTEE

DATE 2/21/08

| NAME | REPRESENTING |
|-----------------|-------------------|
| Terry Heidner | KDOT |
| JIM HANNI | AAA |
| KEVIN GREGG | KMCA |
| Tom Whitaker | KMCA |
| STEVE KEARNEY | KANSAS TREASURERS |
| DON McNEELY | KADA |
| Cammie Allwhite | KDOR |
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HOUSE TRANSPORTATION COMMITTEE

DATE 2/21/08

| NAME | REPRESENTING |
|------------------|-------------------------------|
| Nancy Weeks | KCTA & Huskoll Co Treas |
| Eileen King | KCTA & Riley Co. Treas |
| Cynthia Linn | KCTA + Norton Co Treas. |
| Carolyn Heasty | KCTA + Sumner Co Treas |
| Cheryl Remington | KCTA + Gode County |
| Joe Grisolaro | KCTA + Crawford Co. Treas. |
| Ron Estes | KCTA & Sedgwick Co. Treasurer |
| MARK E. SCHEMm | KCTA & SMITH Co. TREASURER |
| Austin Hayden | Hein Law Firm |
| JEAN MILLER | CAPITOL STRATEGIES |
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**TESTIMONY PRESENTED BY NANCY WEEKS
HASKELL COUNTY TREASURER
SUPPORTING HB 2358
February 21, 2008**

Representative Hayzlett and members of the Transportation Committee. I am Nancy Weeks, Haskell County Treasurer and Chair of the Kansas County Treasurer's Legislative Committee. I want to thank you for allowing me to testify on HB 2358.

This bill has to do with the lien holder fee each treasurer collects on a vehicle that is titled with a lien on it. Currently we get \$1.50 for each lien recorded. Our customer has paid the lien holder fee to the lien holder. The treasurer bills the lien holder each month for those liens recorded. The lien holder then has to mail a check back to our office. Sometimes that may be for one lien of \$1.50. This bill would change that. We would collect from our customer at the time they tag and title the vehicle and record the lien. This eliminates keeping track of the accounts for each lien holder and billing them for what they would owe us. They then have to remit a payment to us and we receipt in the money from the lien holder. Sometimes we have to bill more than once.

We are also asking to amend the bill. On page 4, line 43 strike the word Kansas, page 5 line 1 strike Each and add the following For any vehicle with a lien, the county treasurer shall charge the Kansas lien holder and change the language to collect from the applicant then strike for the registration of any vehicle for which notice of security interest has been filed, leave the rest of the current language except in line four strike Kansas.

Ford Motor Credit and General Motors Acceptance Corporation already have requested the lien copies even though they are out of state. This way ALL lien holders would receive the lien holder copy and know their lien was recorded on the title.

The Kansas County Treasurer's feel this is a more efficient and effective way of doing business. I urge your support on HB 2358 as per the requested amendment.

Thank you for your time and attention. I would be happy to answer any questions you may have.

House Transportation
Date: 2-21-08
Attachment # 1



TESTIMONY

Committee on Transportation

House Bill No. 2358

February 21, 2008

Representative Gary Hayzlett, Chairman and members of the Committee on Transportation, I am Charles M. Letcher, Treasurer of Johnson County. I want to thank you for allowing me to testify on behalf of the Kansas County Treasurer's Association and Johnson County, Kansas in favor of House Bill No. 2358. We support this measure as it will standardize procedures, improve operations, allow for reallocation of resources, reduce operating expenses and increase revenues. Also, this bill will eliminate the requirements of sending statements and maintaining records for each lien holder, thus eliminating significant and unnecessary amounts of record keeping duties for our Motor Vehicle staff.

Currently, each title transaction with an active lien is processed prior to payment being received. The individual pays the \$1.50 fee directly to the lien holder and each Treasurer bills the lien holder for the fees collected. We spend over \$18,000 per year for staff to manage and administer the lien holder program. Each month we mail statements to lien holders who have balances in their accounts. The elimination of approximately 3,400 lien holder bills per month would substantially improve our business processes by allowing us to reallocate resources to areas in need of assistance.

By requiring each individual requesting title work to pay the lien holder fee at the time of processing, we are assured of receiving the fee when the initial paperwork is completed, thereby eliminating follow-up processes or procedures. Therefore, due to the various reasons mentioned, Johnson County supports HB2358.

The Kansas County Treasurer's Association and the Johnson County Treasurer's Office respectfully requests that this legislation be advanced from this committee for further action. Thank you for your attention and I will be happy to stand for questions.