

Approved: April 2, 2008
Date

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Gary Hayzlett at 1:30 P.M. on March 25, 2008 in Room 519-S of the Capitol.

All members were present except:

Representative Ronnie Metzker- 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:

Representative Bob Bethell

Others attending:

See attached list.

Chairman Hayzlett opened the meeting. He opened hearings on **HB 2786**.

HB 2786 - Antique motor vehicles, model year city issued license plates.

Chairman Hayzlett recognized Representative Bob Bethell who explained the bill. Representative Bethell said Ken Hand, Wichita, Kansas was originally going to present testimony but he was unable to get to Topeka so Representative Bethell presented his testimony. He gave a brief background on the issuance of antique license plates by the State. He said this bill, if passed, will be a change in the way antique license plates are issued. (Attachment #1) According to Representative Bethell this bill would allow owners of automobiles manufactured prior to 1913 to revert to the original method of registering cars, if they choose, since there are no plates available for these cars issued in the year of their manufacture. It was suggested that the State issue an antique plate as is done now but the owner of the vehicle, if he chooses to display that plate, could put the numbers that are on the State issued plate onto a reproduction plate that could be constructed out of leather (or some other material) and then the vehicle can legally be operated on the roads and streets of the State.

There were no other proponents and no opponents. The Chairman closed the hearing on **HB 2786**.

The Chairman recognized Alan Cobb, State Director, Americans for Prosperity - Kansas. (Attachment #2) Mr. Cobb discussed utilizing cost-benefit analysis for future transportation funding. He said Kansas ranks 9th in average state highway spending per capita. Mr. Cobb said every dollar spent on a transportation project is a dollar not spent for another government service, or a dollar not spent lowering our state's tax burden. He went on to say that the Kansas' tax burden is at an all-time high with 11.2% of our income going to state and local taxes. In his testimony he said 'there is little, if any, correlation between how much a state spends on highways and economic growth.' Further he said in the discussions last summer, there was recognition that highway spending isn't economic development in and of itself.

Art Hall, Executive Director of the Center for Applied Economics, KU School of Business, was the next to present. (Attachment #3) According to Mr. Hall, benefit-cost analysis is a well-accepted analytical tool that will allow Kansas lawmakers to improve their decision-making related to the prioritization of road projects - among competing road projects and other competing budget priorities. He further said, "given the large dollar amounts involved with transportation infrastructure each year, it makes sense for Kansas lawmakers to formalize and institutionalize a competent benefit-cost analytical capability. The success of the previous two transportation plans underscores the case for this perspective. As Kansas builds transportation capacity, the economic value diminishes for each incremental amount of additional capacity." Mr. Hall said the primary goal is to improve the amount of credible and consistent information available to lawmakers and taxpayers.

Written testimony had been submitted by Randal O'Toole, Senior Fellow, Cato Institute. (Attachment #4)

CONTINUATION SHEET

MINUTES OF THE House Transportation Committee at 1:30 P.M. on March 25, 2008 in Room 519-S of the Capitol.

Secretary Miller, KDOT, came forward to say when you look at investments in roadways they are very large investments and they need to be made very carefully. She said as they work on the long range transportation plan, one issue that comes up is that they need to be careful as they think about the future - that they are developing a transportation approach which is geared to supporting the state's economy. This does not necessarily mean that every project they do has a positive benefit cost ratio but they want to be sure that what they do is worth it and tied to the economic goals of the State. She concluded by saying that they do not need a new 10-year transportation program just because 10 years have passed, but they need one because they do not have adequate revenues to protect the investment already made in the system. She said they will be coming to the legislature to ask for dollars to protect the investment - not because it has been 10 years since the last time they were here.

Patrick Hurley, representing Economic Lifelines also came forward. He explained the mission of Economic Lifeline which has been the organization which creates the community support that enabled and encouraged legislature to pass the both the 1989 and 1999 transportation programs. He said after reading some of the material he would want to everyone to know and understand that there have been cost benefit analyses done after the programs were well underway and ultimately completed. One study was done by a Kansas University Economist and one by a Kansas State University Economist both of which are labeled Cost-Benefit Analysis Studies and they conclude that the 1989 and 1999 programs had a tremendous positive economic impact on the state as a whole. The studies showed that for every \$1 spent the economic output impact was \$2.50 to \$3 across the state. After the 1989 transportation program was concluded the studies indicted it was probably the single greatest economic development project in those 10 years as a whole and in fact concluded that it allowed Kansas to survive the recession that was occurring during some of those years better than the surrounding states and better than the United State economy as a whole. He said they plan to come to legislature in the coming months to hopefully persuade and offer support for enactment of another comprehensive transportation plan.

Chairman Hayzlett opened **SB 294** for discussion, questions and motions. The Revisor handed out and explained a balloon amendment (Attachment #5) After a lot of discussion Representative Menghini made a motion to amend SB 294 by substituting a new bill designated as House Substitute SB 294, seconded by Representative McLachlan and the motion carried.

Representative Peck made a motion to define "wireless communication device," seconded by Representative Burgess and the motion carried.

Representative Sloan made a motion that 16 - 17 year olds may have related family members and one unrelated family member in their motor vehicles. After discussion the motion died for lack of a second.

Representative King made a motion that 16 - 17 year olds may have up to three unrelated passengers in their motor vehicles, seconded by Representative Huntington and the motion carried.

Representative Burgess made a motion to include the wording "while going to or from or in connection with any farm job, employment or other farm-related work," seconded by Representative Menghini and the motion carried.

Representative King made a motion to amend the effective date from the date in the Statutes to January 1, 2009. The motion was seconded by Representative Menghini and the motion carried.

Representative Vickrey made a motion to pass House Substitute SB 294, as amended, seconded by Representative George. The motion carried.

Chairman Hayzlett opened **HB 2786** for discussion, questions and motions. Representative King made a motion to pass HB 2786 favorably, seconded by Representative Burgess, and the motion carried.

There being no further business before the Committee the meeting was adjourned. The next meeting is scheduled for March 26, at 1:30 p.m., in Room 519-S.

HOUSE TRANSPORTATION COMMITTEE GUEST LIST

DATE: 3-25-08

NAME	REPRESENTING
Deb Miller	KDOT
LORI HASKETT	KDHE
Lynn Hellebust	
Scott Heidner	ACEC Kansas
Maggi Thompson	KDOT
Terry Heidner	KDOT
Tom Whitaker	KMCA
KEVIN GREGG	KMCA
Vent Eckles	Oct. Chamber of Commerce
Stale	federico Consulting
Bob Tottan	Ka Contractor Assoc.
Mike Reels	GBBA
Dana Peterson	KAWA
ERIK SARTORIUS	City of Overland Park
Wendy	KAPPA - KMCA

HOUSE TRANSPORTATION COMMITTEE

DATE 3/25/08

NAME	REPRESENTING
Patrick Husley	Economic Lifelines
Spencer Duncan	Capitol Connection
Terry Mitchell	KDOR
Carmen Alessi	KDOR
Suzanne Wittle	KS Action for Children
Michael Hooper	Kearney & Assoc.
Dustin Moyer	Pruzan Smith Assoc
SEAN MILLER	CAPITOL STRATEGIES

HOUSE BILL No. 2786

My name is Ken Hand and I am from Wichita. I am here today representing a small part of the antique automobile hobby. I would like to suggest for your consideration and hopefully approval a change in the way antique license plates are issued by the State for a part of the hobby.

In the early 1960s, the law was changed to allow owners of automobiles 25 years or older, to apply for an antique car plate that would apply to one car and that plate would not change each year. Then at a later date, the law was changed to allow owners of older cars, if they want, to obtain Kansas issued plates in the year of the manufacture of their vehicle and then register that vehicle using that plate if those numbers are not already in use. I think the above rules have worked very well, both for the hobby and for the State.

From the perspective of the hobby, one advantage of the above law was to have an age-appropriate plate on the car, which is more aesthetically pleasing and more appropriate for display. Unfortunately, the above option is not available for cars manufactured prior to 1913.

Kansas did not start issuing state license plates until 1913. (Exhibit A) Prior to that, cities or municipalities issued only numbers for registration purposes. It was the responsibility of the car owner to display those numbers on the vehicle. Quickly, the auto supply houses at that time saw a market and started selling blank license plates (pads) and the car owner could purchase the issued numbers and letters, attach them to the purchased plate and therefore make his vehicle legal to drive on the road. (Exhibit B)

I am here today to ask for another change in the present law that would allow owners of automobiles manufactured prior to 1913 to revert to the original method of registering cars, if they choose, since there are no plates available for these cars issued in the year of their manufacture. I would suggest that the State issue an antique plate as is done now but the owner of the vehicle, if he chooses not to display that plate, could put the numbers that are on the State issued plate onto a reproduction plate that he constructs out of leather (or some other material) and then the vehicle can legally be operated on the roads and streets of the State.

I am including in this package a list of the county number codes that Kansas used from 1930 to 1949. (Exhibit C) Maybe nobody in here is old enough to remember that system but I think it is interesting. It took me a long time to find these codes so I want to share them with you.

Thank you for your time. I will attempt to answer any questions you might have.



Wichita



WaKeeney



Cotton Wood Falls

Leather Pre-Statehood Plates



1904 - 1912 (Pre-State)
City issued Plate



1913 (black on white)



1914 (white on blue)



1915 (black on orange)



1916 (white on black)



1916 (white on black)



1917 (black on light green)



1918 (green on white)



1919 (dark blue on light blue)

www.worldlicenseplates.com

1-3



1920 (white on black, undated)



1921 (black on yellow)



1922 (yellow on black)



1923 (black on white)



1924 (white on green)



1925 (white on red)



1926 (white on blue)



1927 (black on gray)



1928 (blue on white)



1929 (black on yellow)

www.worldlicenseplates.com

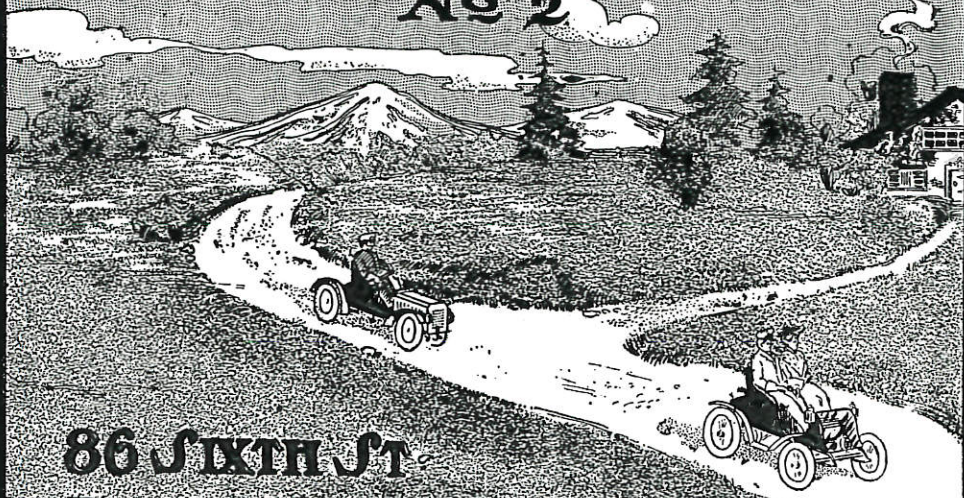
1-4

BALLOU-WRIGHT

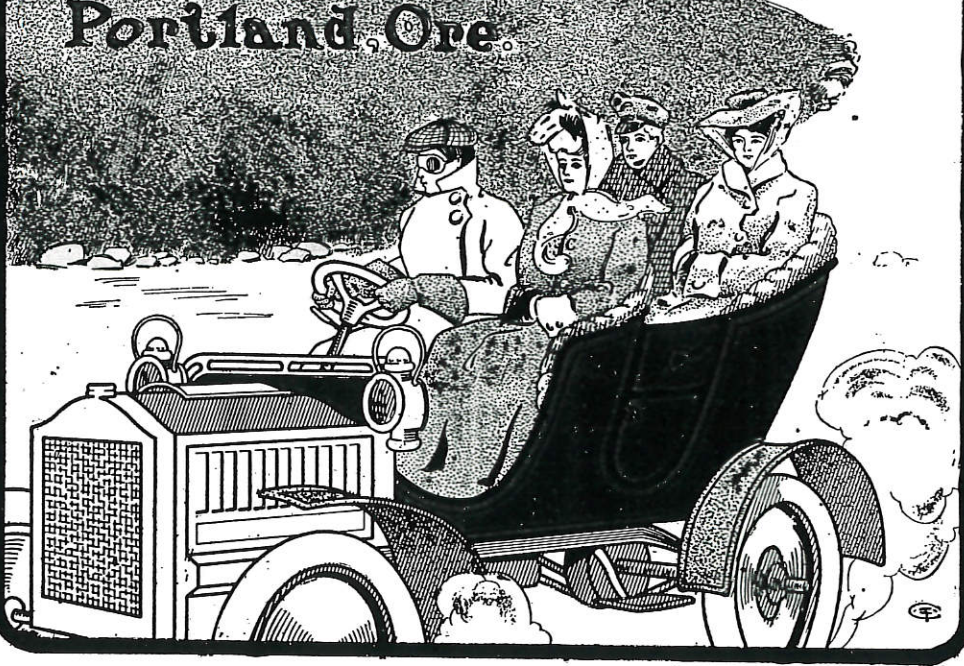
AUTOMOBILE SUPPLIES.

1906 Catalogue 1906

NO 2



86 SIXTH ST.
Portland, Ore.



THREE IN ONE



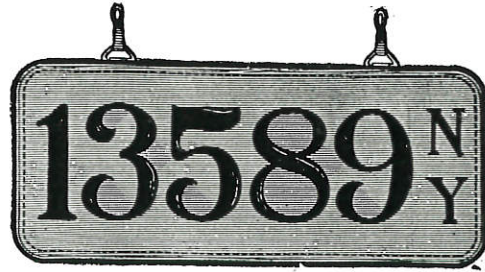
Does everything claimed for it.
3-oz. bottle... 25c
1-oz. bottle... 10c

NEVERLEAK



The only tire fluid endorsed by tire makers. Does not injure the tire and can be washed out. 8-oz. tubes packed in fancy display box. List, per tube 50c.

NUMBERS AND HANGERS



1906

Between the two sides of enameled leather a steel plate is placed, which stiffens hanger and clinch; tacks used to attach letters.

Size 5x12, list each \$1.00.

Aluminum figures, 3-in., list each... 25c
Aluminum letters, 1-in., list each... 15c



NO. 632 FLAKE GRAPHITE

Specially prepared for pistons, gears, and cylinders.

1 lb. cans. each 50c.

NON-FLUID OILS
Automobile lubricants
Apply a want that
fluid oils or
s can satisfactorily
fill. They do
not waste and oil
roads instead of
springs, like fluid
Unlike greases,
do not require
gears to grow warm
they lubricate,
causing no in-
crease in the friction-
and fuel consump-
tion of automobiles.
and recommend-
cause exhaustive
e much cleaner,
story than other
insuring the most

in all compres-
sors, motors, etc.);
uses; bearings of
engines, etc.
place of fluid oil
ring oiling bear-
ings (because it does
not cause short-

..... \$1.00
..... 2.75

OILERS



No. 13 A.



No. 14.

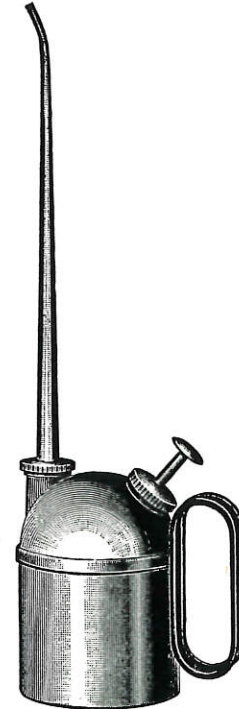
No. 14.—Steel oiler, 5 oz., 3 1/2 in. diameter, 9-in. nozzle, heavily copper plated.

List, each 60c.

No. 13 A.—Same, with 5-in. nozzle.

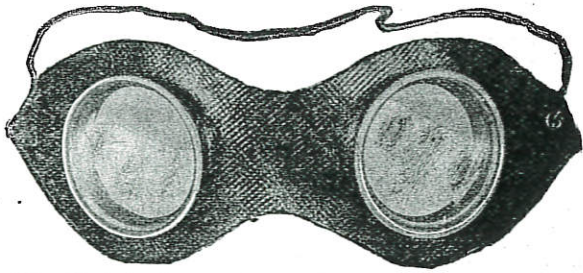
List, each 50c.

PUMP OILER

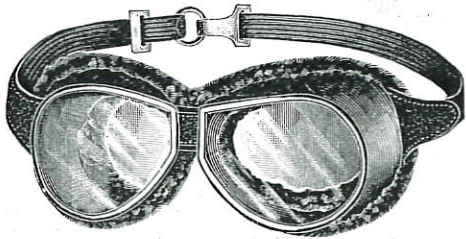


Made of solid steel, copper plated; flow controlled by pressure of thumb.
1 pint. List, each \$1.25.

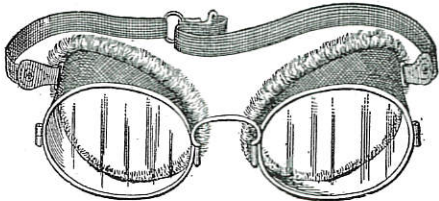
GOGGLES.



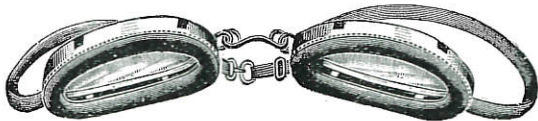
No. 200—Black leather mask, round ventilated metal cups, with flat glasses, 1 3/4" diameter, elastic head band. Price..... \$0.25



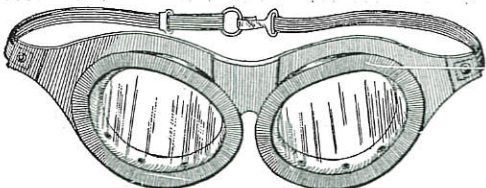
No. 225—Collapsible eye cups, edged with chenille, leather nose piece and tabs, lined, extra large curved glasses, special form, adjustable elastic head band. Price 1.25



No. 250—Nickel frame, small size, with jointed metal nose piece to fold, collapsible silk eye cups, flat oval glasses, edged with chenille, adjustable elastic head band. Price \$2.00



No. 275—Bright aluminum frame, well ventilated, with air-inflated rubber cushions. Egg shape curved glasses, affording a maximum range of vision. Adjustable elastic band with hook and ring fastenings. Weight but 1 1/4 oz. Can be washed with soap and water without injury. Price \$2.50

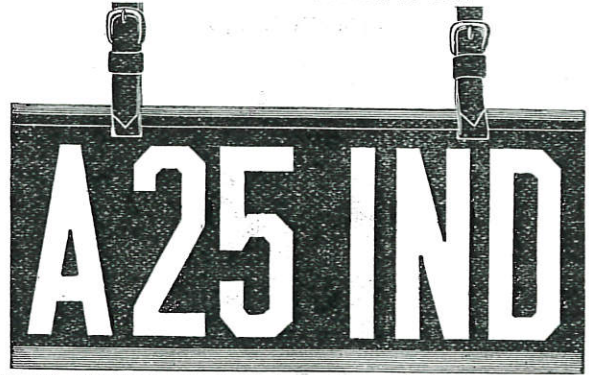


NO. 300 RUBBER GOGGLES.

Positively the best fitting goggles on the market. Made of fine India Rubber. Cool and comfortable. Excludes all dust. Rain proof. Can be washed with soap and water. Glasses can be slipped in and out in a second. Price 1.00

No. 305—Goggles same as No. 300 with pair extra glasses. Price 1.25

LICENSE OR NUMBER PADS.



No. 20—Number pads, steel plate with painted aluminum letters. Price, per pair \$1.25
 No. 25—Number pads, steel plate with metal aluminum letters. Price per pair 3.25

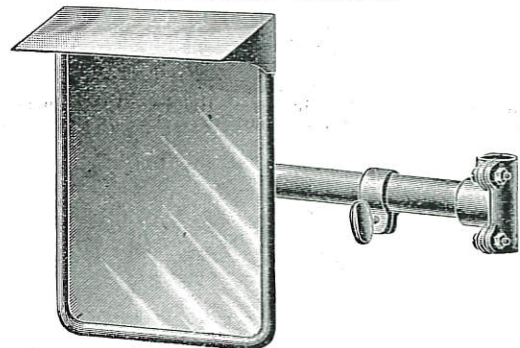
LEATHER NUMBER PADS. 1910



These pads are made of patent leather stretched over a steel frame and securely sewed, so that a bright patent leather surface is presented on both sides. Impossible to warp out of shape.

- No. 30—Leather Number pads without numbers, each \$1.00
- No. 35—Leather number pads with painted aluminum numbers. Price per pair 3.00
- No. 40—Leather number pads with metal aluminum numbers. Price per pair 3.75
- Sheet aluminum letters or numbers, each15
- Straps for license tags, per set of40

THE ARGUS MIRROR.



This mirror allows the chauffeur to see at a glance the movements of all moving vehicles behind him, allowing him to turn back and reverse without jeopardizing the occupants of the machine. It is a special plate glass mirror, bound in brass, but is interchangeable, and is the only one on the market today in which a new glass can be fitted. Has a ball and socket joint, enabling it to be removed in any position. The mirror is slightly concave, and gives an extraordinary wide range of vision behind. Nothing can occur behind the driver which he cannot readily observe.

- Price \$5.00
- With Hood 6.50

FIRE EXTINGUISHER.



Manville Fire Extinguisher, Price each \$1.75

1-7

LAMP BRACKETS

STANDARD FORK BRACKET

For Gas Lamps of all Makes

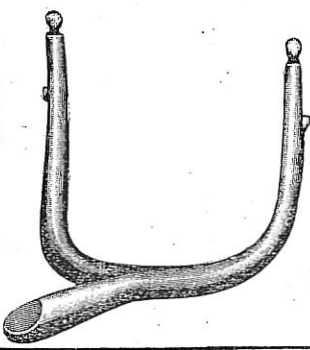
Made of drop-forged steel, stub is long enough to allow for welding to fit car.

Furnished with either curved or straight stub.

- No. 1235. 6 in. centres.
- No. 228. 7 in. centres.
- No. 229. 8 1/4 in. centres.

Price, either size, \$1.50 each.

Our Price, \$.75 each.



ADJUSTABLE FORK BRACKET

For Gas Lamps of all Makes

This bracket can be used on any size lamp, it is made of drop-forged steel, finished in brass, finely polished.

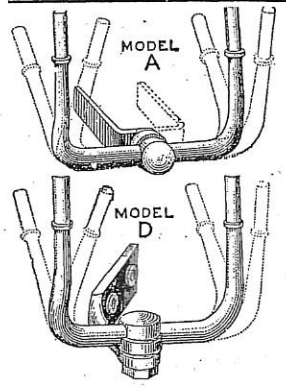
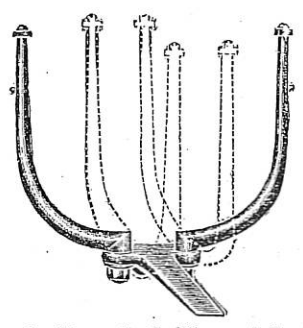
Bracket bolts in place and requires no expert mechanic to adjust.

No. 230. Price, \$6.50 per pair.

Our Price, \$3.50 per pair.

This bracket as per illustration will be found adaptable to a great many cars.

We have special fittings for Maxwell, Cadillac and Ford cars, at the same price. Kindly state which of the four styles you wish.



ROCHESTER HEADLIGHT BRACKETS—Made of Steel. Polished

Strong durable brackets. Made in styles and sizes to fit any car or lamp

MODEL A. Specially adapted for Ford and Cadillac cars, or light cars.

No. 1235. 6 or 7 in. centres. Price, \$4.75 pair
Our Price, \$3.75

MODEL B. For Maxwell runabouts, or light cars requiring a straight flat bracket, which is adjustable to allow for setting in proper position.

No. 1236. 6 or 7 in. centres. Price, \$4.75 pair
Our Price, \$3.75

MODEL C. Same as B, but with adjustable centres to fit any size lamp.

No. 1237. Price, \$5.25 pair,
Our Price, \$4.25

MODEL D. For large cars and lamps. It has special arm to fit where the butt end is framed. State width desired.

No. 1238. Price, \$5.25 pair,
Our Price, \$4.25

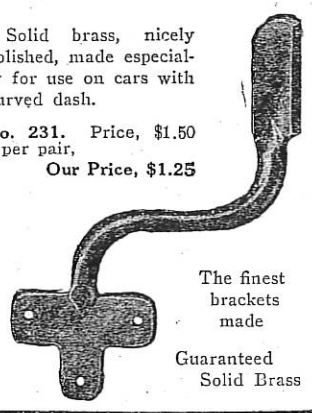
MODEL E. Same as D, but is adjustable to fit any size lamp. This bracket will fit most any style of frame.

No. 1239. Price, \$5.50 pair,
Our Price, \$4.50

SIDE LAMP BRACKETS

Solid brass, nicely polished, made especially for use on cars with curved dash.

No. 231. Price, \$1.50 per pair,
Our Price, \$1.25



The finest brackets made
Guaranteed Solid Brass

Solid brass, highly polished, designed for use on cars with curved dash and where prop of lamp requires bracket head set sideways.

No. 232. Price, \$1.00 per pair,
Our Price, \$1.25



Solid brass, highly polished, will fit any side lamp.

No. 233. Price, \$1.60 per pair,
Our Price, \$1.25



TAIL LAMP BRACKET

Solid brass, highly polished and finished.

Will fit any size and make of lamp.

No. 239. Price, \$.70 each.

Our Price, \$.45



LAMP NUMBERS



Adjustable, brass frame and figures. Fit any size lamp, figures are two inches in height, very distinct.

No. 240. Price, per pair, \$.75.

Our Price, \$.3

GENERAL AUTOMOBILE SUPPLY CO., Inc., J. C. Nichols, President.
Uptown Store: Broadway and 52nd Street, Lincoln Hotel Block, Phone 6160 Columbus.
Downtown Store: 11 Warren Street, Phone 1745 Cortlandt.

EXHIBIT C

KANSAS AUTO LICENSE TAG NUMBERS 1930 TO 1950

1	Wyandotte	36	Cloud	71	Finney
2	Sedgwick	37	Washington	72	Woodson
3	Shawnee	38	Ellis	73	Rush
4	Crawford	39	Pottawatomie	74	Decatur
5	Montgomery	40	Republic	75	Ness
6	Reno	41	Clay	76	Graham
7	Leavenworth	42	Jackson	77	Rawlins
8	Cowley	43	Jewell	78	Thomas
9	Butler	44	Coffey	79	Edwards
10	Cherokee	45	Doniphan	80	Sherman
11	Labette	46	Jefferson	81	Chase
12	Sumner	47	Geary	82	Cheyenne
13	Lyon	48	Rice	83	Trego
14	Saline	49	Linn	84	Seward
15	Atchison	50	Smith	85	Kiowa
16	Douglas	51	Harper	86	Meade
17	Bourbon	52	Anderson	87	Sheridan
18	Dickinson	53	Pratt	88	Gove
19	Johnson	54	Morris	89	Gray
20	Marshall	55	Mitchell	90	Comanche
21	Franklin	56	Osborne	91	Clark
22	Neosho	57	Kingman	92	Stevens
23	Marion	58	Phillips	93	Hodgeman
24	Allen	59	Stafford	94	Morton
25	Brown	60	Russell	95	Logan
26	McPherson	61	Norton	96	Scott
27	Wilson	62	Wabaunsee	97	Lane
28	Harvey	63	Chautauqua	98	Kearny
29	Osage	64	Ellsworth	99	Wallace
30	Riley	65	Ottawa	100	Hamilton
31	Miami	66	Lincoln	101	Haskell
32	Greenwood	67	Barber	102	Wichita
33	Barton	68	Elk	103	Grant
34	Nemaha	69	Pawnee	104	Stanton
35	Ford	70	Rooks	105	Greeley

These county prefix numbers were used between 1930 and 1950 on Kansas auto tags. The ranking was done by population based on state enumeration returns as of March 1, 1928.



AMERICANS FOR PROSPERITY K A N S A S

March 25, 2008

Utilizing Cost-benefit analysis for future transportation funding

Review of current status and past funding.

- We've spent a lot on transportation, primarily highways, since 1989.
 - 1989 program was \$3.7 billion - \$10 billion
 - 1999 program: \$13.5 billion through 2009

The notion that we need a third major plan because we've had two plans and that third plan should begin before the other plans are fully paid for should be challenged.

And We Have Very Good Roads to Show For It

- Kansas ranks 9th in average state highway spending per capita. (State Disbursements for Highways Per Capita, 2006...US Dept of Trans, Federal Highway Admin)
- Kansas roads are not well traveled. Average daily traffic per lane is #43 lowest in the country. (Average Daily Traffic Per Lane, 2006...US Dept of Trans, Federal Highway Admin)
- Kansas is one of only seven states with ZERO PERCENT poor road condition for both rural and urban roads. (* Source: Performance of State Highway System 2005 : Dr. David Hartgen, University of North Carolina)
- Kansas is the only one of our surrounding states in that zero / zero category; States, whose economy is growing faster than ours.
- Kansas ranks 9th in the number of narrow lanes. This means that we are 9th highest in spending the money to widen our roads.

The long term obligations are significant – of what we've already built. According to KDOT, we need \$300mm annually just to maintain what has already been built.

Economic impact of higher tax burden on Kansans for transportation

There's no free lunch. Every dollar spent on a transportation project is a dollar not spent for another government service, or a dollar not spent lowering our state's tax burden.

- Kansas' tax burden is at an all-time high with 11.2% of our income going to state and local taxes.

Opportunity Cost

If, since 1999, Kansas would have spent \$7.5 billion on transportation rather than \$13.5 billion, we could have had \$6 billion for tax relief. Ten year costs:

- .10% reduction in sales tax \$0.395 billion
- .5% reduction in all income tax brackets \$2.3 billion
- Elimination of corporate income tax \$3.2 billion
- \$5.895 billion

Transportation Funding and the Economy

There is little, if any, correlation between how much a state spends on highway on economic growth.

State	State Highways Funding Per Capita, Avg 2002 - 2005	GSP Growth, 97-06	Urban Interstate rank	Rural interstate rank
Delaware	1	13	31	n/a
Alaska	2	18	1	44
Wyoming	3	1	42	30
West Virginia	4	47	30	36
Montana	5	15	25	41
New Jersey	6	39	43	47
North Dakota	7	21	1	1
DC	8	8	n/a	n/a
Kansas	9	33	1	1
South Dakota	10	20	17	1

State	State Highways Funding Per Capita, Avg 2002 - 2005	GSP Growth, 97-06	Urban Interstate rank	Rural interstate rank
Wyoming	3	1	42	30
Nevada	35	2	20	1
Arizona	20	3	1	1
Florida	36	4	12	1
Texas	44	5	25	46
Idaho	24	6	39	24
Virginia	21	7	29	1
DC	8	8	n/a	n/a
Colorado	23	9	36	28
Utah	15	10	1	43

State	State Highways Funding Per Capita Rank (Avg 2002 - 2005)	GSP Growth Rank, 97-06	Urban Interstate rank	Rural interstate rank
Kansas	9	33	1	1
Nebraska	14	41	46	35
Colorado	23	9	36	28
Oklahoma	25	11	47	28
Missouri	33	48	32	27

In the entire 99-page Kansas Long Range Transportation Plan document, the words "cost-benefit" are used three times.

1. page 23 - referencing the need to look at cost-benefit when comparing different methods of modernizing existing roads.
2. page 46 - very short reference to the need to compare the cost and benefits to Kansans regarding a new passenger rail corridor from Wichita to Kansas City.
3. page 94 - a reference to the need to use cost-benefit analysis to determine which is the best solution when immediate transportation needs should be addressed for economic development purposes such as adding an intersection or off-ramp in a business park for a new business.

However, in the discussions last summer, there was recognition that highway spending isn't economic development in and of itself.

From the Long Range Transportation Plan Economic Impact Working Group (<http://www.kansaslrtp.org/ListEconomicImpact.do>):

From the document:

A Cautionary Note

Since economic development analysis requires significant time and monetary investments, it should be reserved for major transportation projects not for maintenance or relatively inexpensive projects. And when conducting an economic review the following points should be taken into consideration:

1. In order to understand both the direct and indirect impacts a project will have on the area's economy, it's important to use Economic Impact Analysis to complement Benefit Cost Analysis.
2. Transportation projects rarely create wealth. And while it may be appealing to invest in projects located in regions struggling economically to spur growth, the result may just be a transfer of economic benefits from one region to another. Thus, from the state perspective the project effects were a wash.

State	State Disbursements for Highways Per Capita, Avg 2002 - 2005	GSP Growth, 97-06	Rural Interstate Condition			Urban Interstate Condition	
			State	% poor	rank	% poor	rank
Alabama	37	27	Alabama	12.52%	48	0.00%	1
Alaska	2	18	Alaska	4.24%	44	0.00%	1
Arizona	20	3	Arizona	0.00%	1	0.00%	1
Arkansas	22	31	Arkansas	2.58%	39	5.85%	34
California	50	14	California	3.70%	42	13.32%	45
Colorado	23	9	Colorado	1.17%	28	7.04%	36
Connecticut	16	43	Connecticut	0.00%	1	3.97%	28
Delaware	1	13	Delaware	n/a	-	5.00%	31
DC	8	8	DC	n/a	-	n/a	-
Florida	36	4	Florida	0.00%	1	0.14%	12
Georgia	51	24	Georgia	0.00%	1	0.00%	1
Hawaii	48	30	Hawaii	0.00%	1	28.00%	50
Idaho	24	6	Idaho	0.38%	24	9.78%	39
Illinois	38	45	Illinois	0.21%	23	5.66%	33
Indiana	32	44	Indiana	0.00%	1	1.90%	21
Iowa	18	38	Iowa	2.07%	34	16.99%	49
Kansas	9	33	Kansas	0.00%	1	0.00%	1
Kentucky	19	50	Kentucky	0.00%	1	1.44%	16
Louisiana	45	12	Louisiana	1.47%	33	7.59%	37
Maine	13	37	Maine	0.00%	1	1.47%	18
Maryland	39	16	Maryland	0.55%	26	7.67%	38
Massachusetts	11	36	Massachusetts	0.00%	1	0.84%	14
Michigan	46	51	Michigan	7.72%	45	12.78%	43
Minnesota	27	26	Minnesota	0.00%	1	2.56%	23
Mississippi	34	46	Mississippi	2.27%	36	3.59%	26
Missouri	33	48	Missouri	0.63%	27	5.53%	32
Montana	5	15	Montana	0.53%	25	11.67%	41
Nebraska	14	41	Nebraska	2.12%	35	14.04%	46
Nevada	35	2	Nevada	0.00%	1	1.80%	20
New Hampshire	40	34	New Hampshire	0.00%	1	0.00%	1
New Jersey	6	39	New Jersey	9.38%	47	12.78%	43
New Mexico	12	23	New Mexico	0.00%	1	2.58%	24
New York	30	29	New York	13.32%	49	16.46%	48
North Carolina	29	19	North Carolina	2.69%	40	9.96%	40
North Dakota	7	21	North Dakota	0.00%	1	0.00%	1
Ohio	42	49	Ohio	0.00%	1	1.41%	15
Oklahoma	25	11	Oklahoma	1.17%	28	14.11%	47
Oregon	43	28	Oregon	0.00%	1	0.00%	1
Pennsylvania	26	42	Pennsylvania	1.40%	31	2.38%	22
Rhode Island	41	22	Rhode Island	0.00%	1	0.00%	1
South Carolina	47	35	South Carolina	0.00%	1	0.38%	13
South Dakota	10	20	South Dakota	0.00%	1	1.45%	17
Tennessee	49	32	Tennessee	0.00%	1	1.69%	19
Texas	44	5	Texas	9.00%	46	2.60%	25
Utah	15	10	Utah	4.17%	43	0.00%	1
Vermont	17	25	Vermont	1.43%	32	0.00%	1
Virginia	21	7	Virginia	0.00%	1	4.03%	29
Washington	28	17	Washington	2.78%	41	6.40%	35
West Virginia	4	47	West Virginia	2.27%	36	4.40%	30
Wisconsin	31	40	Wisconsin	2.30%	38	3.86%	27
Wyoming	3	1	Wyoming	1.34%	30	12.22%	42

House Transportation Committee
 Informational Hearing on Benefit-Cost Analysis for Road Projects
 March 25, 2008

Remarks of
 Art Hall, Executive Director
 Center for Applied Economics
 KU School of Business

- Benefit-cost analysis is a well-accepted analytical tool that will allow Kansas lawmakers to improve their decision-making related to the prioritization of road projects—among competing road projects and other competing budget priorities.
- Given the large dollar amounts involved with transportation infrastructure each year, it makes sense for Kansas lawmakers to formalize and institutionalize a competent benefit-cost analytical capability. The success of the previous two transportation plans underscores the case for this perspective. As Kansas builds transportation capacity, the economic value diminishes for each incremental amount of additional capacity.
- The Consensus Revenue Estimating Group offers a useful model for transportation-related benefit-cost analysis. The Consensus Revenue Estimating Group is composed of personnel from the Division of the Budget, Legislative Research, and academic consultants from K-State, KU, and Wichita State. Similarly, an apolitical body of agency and university experts could comprise the “Transportation Benefit-Cost Analysis Group.”
- The primary goal is to improve the amount of credible and consistent information available to lawmakers and taxpayers. The analysis of a benefit-cost group does not necessarily need to be binding on lawmakers’ decisions (just like private-sector CEOs and Boards are not necessarily bound by the due diligence of their deal teams), but the analysis should be made part of the public record. Even if a set of road projects do not pass a strict benefit-cost test, a formal analysis will allow lawmakers to compare projects to one another for purposes of better prioritization—and more competently articulate a case for such projects.
- An example from the State of Kentucky: a ratio greater than one indicates a project with benefits greater than costs. This project passed the test but faced important risk factors.

Benefit-Cost Ratios for Western Segment of Northern Kentucky Outer Loop (I-74)	
<i>Alternative Assumptions</i>	<i>Benefit-Cost Ratio</i>
Baseline	1.096
Project Costs 15% More	0.953
Project Benefits 15% Less	0.931
10% Real Interest Rate (rather than 7%)	0.725
Highway Not Built in Adjacent State (Indiana)	0.188
<i>Source: The Economic Feasibility of the Northern Kentucky Outer Loop (I-74), 2002. American Consulting Engineers, Inc.</i>	

House Transportation
 Date: 3-25-08
 Attachment # 3



Posted on Sun, Jan. 13, 2008

ARTHUR P. HALL: ROAD PROJECTS NEED BENEFIT-COST ANALYSIS

BY ARTHUR P. HALL

Gov. Kathleen Sebelius and Lt. Gov. Mark Parkinson recently announced a redoubled effort to eliminate wasteful government spending and make the state government operate more efficiently. They are calling this effort BEST II, after the Budget Efficiency Savings Teams that worked most actively from 2003 to 2004.

State spending on roads offers BEST II -- and Kansas taxpayers -- the best target for saving money and improving government effectiveness.

Kansas taxpayers fund about \$1 billion per year in road-related spending, one of the biggest line items in the state budget. In fact, more than 75 percent of the savings claimed by the first BEST effort came from simply renegotiating better terms for road-related debt.

Despite the huge expenditures each year, Kansas has no formal method for economically evaluating or prioritizing road projects. BEST II can fix this problem by implementing a sustained and disciplined benefit-cost evaluation for new road projects -- as the Federal Highway Administration recommends for all states.

No one questions the economic importance of building and maintaining good roadways and safe bridges. However, it is a mistake to think that every road is a "good" road from an investment perspective. Taxpayers can "lose" money by building underused roads just like investors have lost money by building underused buildings or fiber-optic networks.

The Center for Applied Economics at the University of Kansas School of Business evaluated all of the most sophisticated academic studies related to road spending and economic growth. In general, over the past several decades, road spending in the United States has had little added impact on economic growth. This finding implies that building additional road capacity amounts to wasteful spending once a certain amount of road capacity has been built.

In 1999, Kansas lawmakers committed \$13.6 billion to a comprehensive transportation plan that will be complete in two years. None of the projects related to this plan have been subjected to the discipline of a benefit-cost evaluation. Consequently, Kansans have no disciplined viewpoint about which projects, if any, have added value to or subtracted value from the Kansas economy.

Every \$100 million of road spending in which costs exceed benefits translates into a lost opportunity to fund other government priorities or, say, reduce the sales tax by 5 percent.

The execution of a benefit-cost evaluation is straightforward, but a well-implemented, sustainable process seems unlikely without committed executive leadership from the governor's office.

The Kansas Department of Transportation's just-released draft for a long-range plan offers the perfect opportunity to get started. A disciplined benefit-cost evaluation of future road spending would mark a fundamental change for the better in the way the state does business, and promises a huge payoff for the BEST II effort -- and Kansas taxpayers.

Arthur P. Hall is executive director of the Center for Applied Economics at the University of Kansas School of Business. He served as the executive director of BEST from 2003 to 2004.

Benefit-Cost Analyses and Rational Transportation Planning

Testimony to the Kansas House Transportation and Senate Transportation Committees

By Randal O'Toole, Senior Fellow, Cato Institute

In response to previous descriptions of how benefit-cost analyses can be applied to highway investments, I would like to add a number of points on the following topics:

- Should the minimum threshold for a project be a benefit-cost ratio of 1.25?
- What is the role of benefit-cost vs. present net value?
- How should certain values, such as a human life, be incorporated into the process?
- Should the analysis be limited to just highways?
- How should alternatives be built into the process?
- Should economic development and other social values be considered?
- How far into the future should a transportation plan look?
- How should transportation be financed?

Is 1.25 the Right Benefit-Cost Ratio?

The description suggests "that the benefit cost ratio must be at least 1.25 for pessimistic scenarios for researchers to have confidence that project benefits exceed project costs." This sounds reasonable, but it presumes that the state has sufficient funding to pay for any and all projects that have a high enough benefit-cost ratio. In the real world, this is rarely the case.

When funds are limited, the appropriate procedure is to rank all projects in order of their benefit-cost ratios. Available funds would be applied to the projects with the highest ratios until funds are exhausted (or ratios fall below 1.25 or whatever is the minimum threshold).

Benefit-Cost vs. Present Net Value

It is worth noting that benefit-cost ratios are only one way of measuring the economic performance of an investment. Another way is *present net value*, which is the benefits minus the costs (where benefit-cost ratio is benefits divided by the costs). Each of these two measures play distinct roles in an analysis and must not be confused with one another.

The rank order of projects or alternatives can differ depending on whether they are ranked by present net value or benefit-cost ratios. To maximize efficiency, benefit-cost ratios should only be used to rank *non-mutually exclusive projects*. In contrast, present net value is used to rank *mutually exclusive alternatives*. Those alternatives might consist of various combinations of the non-mutually exclusive projects.

To see how these two measures work, imagine three different projects, each of which cost \$1. One project produces benefits worth \$5, the second 75 cents, and the last is 25 cents. Thus, the benefit-cost ratios are 5, 0.75, and 0.25. Obviously, only the first project should be considered.

When all three projects are combined, however, the total cost is \$3 while the total benefits are \$6. This has a benefit-cost ratio of 2.0, which makes it appear that an alternative that consists of the three projects is efficient. Some transportation plans actually publish the benefit-cost ratio of the proposed plan with the claim that this proves the plan is efficient. But we know that two of the three projects are not efficient.

The use of present net value to compare alternatives can correct this hazard. An alternative consisting of all three projects has a present net value of \$3. But an alternative consisting only of the project whose benefit-cost ratio is 5 has a present net value of \$4.

Valuing Items That Are Difficult to Quantify

It has been suggested that dollar values can be placed on people's time and even people's lives. For example, the value of an hour of time would be half the average wage and the cost per fatal accident would be \$2.7 million.

This raises a number of disturbing questions. If time is worth half the average wage, will this bias the analysis in favor of transportation improvements to wealthy parts of the state? If the analysis includes the value of a human life, is the life of a teenager worth more than the life of a senior citizen—and if so, will this bias the analysis in favor of safety improvements near schools while neglecting improvements near senior centers?

These are difficult questions to answer, but fortunately there is an alternative way of dealing with such issues. That is to use *cost-effective* analysis instead of benefit-cost analysis. Benefit-cost analysis requires that dollar values be placed on all benefits and costs. Cost-effective analysis allows one variable, such as hours saved or lives saved, to be in non-dollar terms.

For example, suppose there are three projects that cost \$50,000, \$100,000, and \$150,000. The first project is estimated to save one life plus 2,000 hours of time sitting in traffic each year. The second is estimated to save one life plus 2,500 hours, while the third is estimated to save four lives and 5,000 hours per year.

As shown in table one, the first project is most cost effective at saving people's time, while the third project is most cost-effective at saving people's lives. At this point, some judgment is needed regarding priorities, but given limited funds, the first project (which is almost as cost effective at saving lives as the third one) and the third project (which is almost as cost effective at saving time as the first) certainly deserve consideration.

Table One
Hypothetical Cost-Effectiveness

	Cost Per Life	Cost Per Hour
A	50,000	25
B	100,000	40
C	37,500	30

In general, traffic engineers have historically put safety first and saving people's time second. Fortunately, well-designed highway improvements can accomplish both. But cost-effectiveness is a sound tool to use when the values that might be used in a benefit-cost analysis are questionable or controversial.

Should the Analysis Be Limited to Highways?

Past Kansas transportation plans have dealt with rail, air, bicycle, and foot transportation as well as highways. In fact, most of the factors that go into a highway analysis can also be applied to other modes of transportation. Only when all modes are considered using comparable benefits and costs, or comparable measures of cost effectiveness, can taxpayers be assured that funding is balanced.

“Balanced transportation funding” has become the mantra of those who say that we spend too much on highways and not enough on other modes of transport. Many people advocate diverting increasing shares of highway funds into those other modes.

Since different modes are non-mutually exclusive ways of spending funds, benefit-cost analysis can be used to compare those modes. A true balance is attained when the lowest benefit-cost ratios of any project funded in any mode, are the same. So Kansas should definitely apply benefit-cost and/or cost-effectiveness analyses to all modes, not just highways.

Building Alternatives into the Analysis

Given limited funds and differing priorities, there are many different ways of configuring various transportation projects into a transportation plan. Twentieth-century planners developed a *rational planning model* aimed at developing such a plan.

The first step of the model is to identify goals and priorities. Safety and efficiency are among the most important goals of a transportation plan. Other goals might include increasing energy efficiency or reducing air pollution.

The second step is to develop alternatives that can show different ways of accomplishing goals. The next step is to evaluate the effects of the alternatives, and then to select or design a preferred alternative.

Most recent transportation plans have not included alternatives. This leaves taxpayers and travelers uncertain about whether the plans are really the most effective use of resources.

When alternatives are included, some planners are tempted to build each alternative around modes. One alternative might focus on highways, while another might spend much more money into alternatives such as rail, bikes, and pedestrian facilities. But this way of designing alternatives is polarizing and does not really achieve the goal of developing an alternative that maximizes net social value.

A better way is to apply cost-effectiveness analyses to each of the major goals of the plan—say, safety, congestion relief, energy efficiency, and reduced air pollution—and then rank all potential transportation projects by each measure of cost effectiveness. By picking the top projects, up to the budget limit, ranked according to each goal, this produces (in this example) four different alternatives: one each that maximizes safety, congestion relief, energy efficiency, and clean air.

The preferred alternative can then be that combination of projects that best meets all four goals. This will require some trade-offs—say, slightly dirtier air to get somewhat safer roads.

This methodology accepts that not everything can be valued in dollars. It demonstrates to the public that state transportation planning is based on a wide range of

values. And it offers decision makers the information they need to make an informed choice about alternative projects and plans.

Incorporating Economic Development and Other Values

It is best not to try to account for the effects of transportation projects on economic development. Transportation certainly can effect economic development, but to a large degree it is a zero-sum game: benefits that accrue to some landowners are offset by reduced values to other landowners. Attempting to take those benefits into account opens transportation planners to pressure by various property owners to design projects that will benefit them at others' expense.

Nor should planners try to account for other things, such as urban sprawl, vibrant communities, or other ideas that are controversial and hard to quantify. When they do, they become social engineers rather than transportation engineers.

In a 1950 conference organized by the U.S. Bureau of Public Roads, economist Shorey Peterson noted that, "It is in the character for the engineer to be mainly concerned, not with broad matters of public interest, but with specific relations between road types and traffic conditions." Peterson specifically warned against trying to account for the "public interest" when planning roads. "Control of road improvements through judging its relation to the general welfare is as debatable, as devoid of dependable benchmarks, as deciding the proper peacetime expenditure for national defense or the right quantity and quality of public education," said Peterson. "Controlled in this way, highway projects are peculiarly subject to 'pork barrel' political grabbing."

Like electricity or phone service, transportation is a public utility, and it should act like one. Electric and phone companies do not worry about the effects of their investments on economic development, urban sprawl, or livable communities. Instead, they provide services to anyone who will pay the cost.

The Planning Time Horizon

Past Kansas transportation plans have had ten-year time horizons. But it is currently the vogue among planners to write 20-, 50-, or even 100-year plans. This turns out to be a recipe for failure.

Planners say that their plans will be flexible in response to new information and events. But, in fact, government plans, once written, tend to become set in stone. As Peter Drucker once observed, "any government activity almost at once becomes 'moral.'" In other words, once a plan is written, no matter how flawed, it becomes viewed as an entitlement by those who will benefit from it. So what if costs turn out to be double the original predictions? So what if the benefits turn out to be far smaller than hoped? The plan must be carried out.

The truth is that we have no hope of accurately predicting the future even ten years in advance. Twenty years ago, no one could have predicted the Internet, or that telecommuters would outnumber transit riders in the vast majority of urban areas, or that intercity bus service (driven by on-line ticket sales) would be growing for the first time in decades, or that FedEx, UPS, and DHL would be making daily deliveries on almost every residential street in America. Just as plans written 20 years ago would be

wrong about these things today, plans written today for 20 years from now will also be wrong.

In short, any long-range plan is guaranteed to be wrong. Yet any government long-range plan will be very hard to change. The safest course is to concentrate on solving today's problems today and providing the future with the best possible conditions in which to solve whatever problems people encounter then.

Financing Transportation

One of the reasons why public funds are so often inefficiently spent is because there are no good signals between public agencies and the people who are served by those agencies. If transportation were funded entirely out of general taxes, then roads and other facilities would most likely be built where they will provide the most benefit to the most powerful politicians.

Fortunately, highways have historically been funded out of gasoline taxes and other user fees. These provide an imperfect linkage between transportation agencies and users, but it is better than no linkage at all. Highway agencies know that if they build a proverbial bridge to nowhere, few people will use it, so they will collect little or no gas taxes from its use. So highway engineers have historically had an incentive to build where they will get the most use.

Gas taxes remain imperfect because they provide only hazy information to agencies and users. Users can't know, for example, that it costs more to build a highway to Interstate standards than to lesser arterial standards; for the users, it costs the same to drive on either one. Nor can users know that it costs more to build enough roads to meet peak-period demand than to meet average demand; for users, it costs the same to drive on a road at 8:30 am and 1:30 am.

Gas taxes are also imperfect because they are not adjusted to inflation and don't keep up with more fuel-efficient cars. Many cities and states have responded to shortages in transportation funds by dedicating sales taxes or other taxes to transportation. But this weakens the linkage between providers and users. It would be better to strengthen that linkage by relying more on tolls and other direct user fees.

Tolls were once objectionable because of the delays at tollbooths. But modern electronic tolling systems have eliminated those delays. Modern toll systems photograph the license plates of people who don't have transponders and send them a bill with a modest service charge. Privacy concerns can be addressed by selling transponders like phone cards, available for anyone to charge up with cash or credit.

Tolls can reduce congestion if they vary by the amount of traffic. Even at rush hour, most of the vehicles on the road are not commutes, so increasing tolls during busy periods can reduce congestion without making anyone late for work.

Such tolls provide instant information to facility managers about where they need to make further investments. In the long run, a user-fee-based transportation system will not need to be required to use benefit-cost analyses because the managers themselves will have incentives to do such analyses.

In the short run, Kansas should adopt a policy of partly or wholly funding all new limited-access highways, and even some non-limited-access roads, through tolls. In the long run, Kansas should study the possibility of completely replacing gas taxes with tolls.

PROPOSED HOUSE Substitute for SENATE BILL NO. 294

By Committee on Transportation

AN ACT relating to motor vehicles; concerning driver's licenses; providing certain limitations; amending K.S.A. 8-235d, 8-239, 8-291, 8-296 and 8-297 and K.S.A. 2007 Supp. 8-237 and 72-89c02 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

New Section 1. (a) Any person who is at least 14 years of age, but less than 18 years of age may apply to the division for an instruction permit. The division may issue an instruction permit under this section to any person who is at least 14 years of age, but less than 16 years of age only upon written application of a parent or guardian of the minor. The division may in its discretion, after the applicant has successfully passed all parts of the examination other than the driving test, issue to the applicant an instruction permit for a period of one year.

(b) An instruction permit issued under this subsection shall authorize the permit holder to drive a passenger car under the following conditions:

(1) The permit holder shall be in immediate possession of the instruction permit;

(2) a supervising driver shall be seated beside the permit holder in the front seat of the passenger car when such car is in motion. The supervising driver shall be an adult who is at least 21 years of age who is the holder of a valid commercial driver's license, class A, B or C driver's license and who has at least one year of driving experience. No person other than the supervising driver can be in the front seat;

(3) the permit holder may drive at any time in accordance with the provisions of this section;

(4) every person occupying the passenger car being driven by the permit holder shall have a safety belt properly fastened about such person's body at all times when the passenger car is in motion, or shall be in compliance with the provisions of K.S.A. 8-1344, and amendments thereto; and

(5) the permit holder shall not operate a wireless

communication device while driving a passenger car.

(c) Any person who is at least 14 years of age, but less than 18 years of age may apply for an instruction permit to operate a motorcycle either separate from or in conjunction with an instruction permit to operate a passenger car. The applicant shall successfully pass all parts of the examination other than the driving test. An instruction permit issued under this subsection shall authorize the permit holder to operate a motorcycle if such permit holder is accompanied by an adult who is at least 21 years of age, who is the holder of a valid class M driver's license, who has had at least one year of driving experience and who is riding a motorcycle in the general proximity of the permit holder.

Any person issued an instruction permit under this subsection shall comply with the provisions of K.S.A. 8-1598, and amendments thereto.

(d) An instruction permit shall be suspended in accordance with K.S.A. 8-291, and amendments thereto, for violations of restrictions in this section.

(e) This section shall be a part of and supplemental to the motor vehicle driver's license act.

New Sec. 2. The division of vehicles may issue to any person who is at least 15 years of age but less than 17 years of age a restricted class C or M driver's license in accordance with the provisions of this section.

(a) The division may issue a restricted class C or M driver's license to any person who:

- (1) Is at least 15 years of age;
- (2) has successfully completed an approved course in driver training;
- (3) has held an instructional permit issued under the provisions of section 1, and amendments thereto, for a period of at least six months and has completed at least 30 hours of adult supervised driving; and

(4) upon the written application of the person's parent or

guardian.

The required adult supervised driving required in paragraph (3) above shall be conducted by an adult who is at least 21 years of age and is the holder of a valid commercial driver's license, class A, B or C driver's license. Except as hereafter provided, the application of the parent or guardian shall be submitted to the division.

(b) A restricted class C license issued under this section shall entitle the licensee, while possessing the license, to operate any motor vehicle in class C, as designated in K.S.A. 8-234b, and amendments thereto. A restricted class M license shall entitle the licensee, while possessing such license, to operate a motorcycle.

(1) The restricted license shall entitle a licensee who is at least 15 years of age but less than 16 years of age, to operate the appropriate vehicle at any time:

(A) While going to or from or in connection with any job, employment or farm-related work;

(B) on days while school is in session, over the most direct and accessible route between the licensee's residence and school of enrollment for the purposes of school attendance;

(C) when the licensee is operating a passenger car, at any time when accompanied by an adult who is at least 21 years of age, who is the holder of a valid commercial driver's license, class A, B or C driver's license and who is actually occupying a seat beside the driver; or

(D) when the licensee is operating a motorcycle, at any time when accompanied by an adult who is at least 21 years of age, who is the holder of a valid class M driver's license and who is operating a motorcycle in the general proximity of the licensee.

(2) The restricted license shall entitle a licensee who is at least 16 years of age but less than 17 years of age to operate the appropriate vehicle at any time:

(A) From 5:00 a.m. to 12:00 p.m.;

(B) when the licensee is operating a passenger car, at any

time when accompanied by an adult who is at least 21 years of age, who is the holder of a valid commercial driver's license, class A, B or C driver's license and who is actually occupying a seat beside the driver; or

(C) when the licensee is operating a motorcycle, at any time when accompanied by an adult who is at least 21 years of age, who is the holder of a valid class M driver's license and who is operating a motorcycle in the general proximity of the licensee.

(c) Any licensee issued a restricted license under this section who is less than 16 years of age shall not operate any motor vehicle with nonsibling minor passengers and any conviction for violating this provision shall be construed as a moving traffic violation for the purpose of K.S.A. 8-255, and amendments thereto.

(d) Any licensee issued a restricted license under this section shall not operate a wireless communication device while driving a motor vehicle.

(e) A restricted driver's license issued under this section is subject to suspension or revocation in the same manner as any other driver's license.

(1) A restricted driver's license shall be suspended in accordance with K.S.A. 8-291, and amendments thereto, for any violation of restrictions under this section.

(2) The division shall suspend the restricted driver's license upon receiving satisfactory evidence that the licensee has been involved in two or more accidents chargeable to the licensee and such suspended license shall not be reinstated for one year.

(f) Any licensee issued a restricted license under this subsection on and after July 1, 2008, shall provide prior to reaching 16 years of age, a signed affidavit of either a parent or guardian, stating that the applicant has completed the required 30 hours prior to being issued a restricted license and 30 hours of additional adult supervised driving. Of the 60 hours required by this subsection, at least 20 of those hours shall be

at night. The adult supervised driving shall be conducted by an adult who is at least 21 years of age and is the holder of a valid commercial driver's license, class A, B or C driver's license.

Evidence of failure of any licensee who was required to complete the 60 hours of adult supervised driving under this subsection shall not be admissible in any action for the purpose of determining any aspect of comparative negligence or mitigation of damages.

(g) Any licensee issued a restricted license under this subsection who:

(1) Is under the age of 17 years and is convicted of two or more moving traffic violations committed on separate occasions shall not be eligible to receive a driver's license which is not restricted in accordance with the provisions of this section until the person reaches 18 years of age; or

(2) fails to provide the affidavit required under subsection (f) shall not be eligible to receive a driver's license which is not restricted in accordance with the provisions of this section until the person provides such affidavit to the division or the person reaches 18 years of age, whichever occurs first.

(h) This section shall be a part of and supplemental to the motor vehicle driver's license act.

Sec. 3. K.S.A. 8-235d is hereby amended to read as follows:
8-235d. (a) Drivers' license examiners of the division shall accept original applications for drivers' licenses and instruction permits, as distinguished from applications for renewals of licenses, on forms prescribed by the division and also shall issue instruction permits. Drivers' license examiners of the division shall examine every applicant for a driver's license who is required by the provisions of the motor vehicle drivers' license act to be examined. Such examination shall be held in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant or at a location established by the secretary for the issuance of a

commercial driver's license. Such examination shall include a test of the applicant's eyesight, the applicant's ability to read and understand highway signs regulating, warning and directing traffic, the applicant's knowledge of the traffic laws of this state and shall include an actual demonstration of ability to exercise ordinary and reasonable control in the operation of motor vehicles which the class of license applied for would entitle the applicant to drive. At the conclusion of the examination the examiner shall issue a license to the applicant, if the applicant has successfully passed the examination with the class of license the applicant has applied for.

(b) In addition to the requirements of subsection (a):

(1) Any person applying for a driver's license shall comply with the provisions of subsection (b) of K.S.A. 8-240, and amendments thereto; and

(2) any person who is under the age of 18 years and at least ~~16~~ 17 years of age, who is applying for a driver's license for the first time, not including an instruction permit, shall submit a signed affidavit of either a parent or guardian, stating that the applicant has completed at least ~~50~~ 60 hours of adult supervised driving with at least ~~10~~ 20 of those hours being at night. The required adult supervised driving required in this subsection shall be conducted by an adult who is at least 21 years of age and is the holder of a valid commercial driver's license, class A, B or C driver's license.

Evidence of failure of any licensee who was required to complete the ~~50~~ 60 hours of adult supervised driving under this subsection shall not be admissible in any action for the purpose of determining any aspect of comparative negligence or mitigation of damages.

Sec. 4. K.S.A. 2007 Supp. 8-237 is hereby amended to read as follows: 8-237. The division of vehicles shall not issue any driver's license to any person:

(a) Who is under the age of ~~16~~ 17 years, except that the division may issue a restricted class C or M license, as provided

in this act, to any person who: (1) is at least 15 years of age; (2) has successfully completed an approved course in driver training; (3) has held an instructional permit issued under the provisions of K.S.A. 8-239, and amendments thereto, for a period of at least six months and has completed at least 25 hours of adult supervised driving; and (4) upon the written application of the person's parent or guardian. The required adult supervised driving required in clause (3) above shall be conducted by an adult who is at least 21 years of age and is the holder of a valid commercial driver's license, class A, B or C driver's license. Except as hereafter provided, the application of the parent or guardian shall be submitted to the division. The governing body of any city, by ordinance, may require the application of any person who is under 16 years of age and who resides within the city to be first submitted to the chief law enforcement officer of the city. The board of county commissioners of any county, by resolution, may require the application of any person who is under 16 years of age and who resides within the county and outside the corporate limits of any city to be first submitted to the chief law enforcement officer of the county. No ordinance or resolution authorized by this subsection shall become effective until a copy of it is transmitted to the division of vehicles. The chief law enforcement officer of any city or county which has adopted the ordinance or resolution authorized by this subsection shall make a recommendation on the application as to the necessity for the issuance of the restricted license, and the recommendation shall be transmitted, with the application, to the division of vehicles. If the division finds that it is necessary to issue the restricted license, it shall issue a driver's license to the person.

A restricted class C license issued under this subsection shall entitle the licensee, while possessing the license, to operate any motor vehicle in class C, as designated in K.S.A. 8-234b, and amendments thereto. A restricted class M license

shall entitle the licensee, while possessing such license, to operate a motorcycle. The restricted license shall entitle the licensee to operate the appropriate vehicle at any time:

(1) While going to or from or in connection with any job, employment or farm-related work;

(2) on days while school is in session, over the most direct and accessible route between the licensee's residence and school of enrollment for the purposes of school attendance;

(3) when the licensee is operating a passenger car, at any time when accompanied by an adult who is the holder of a valid commercial driver's license, class A, B or C driver's license and who is actually occupying a seat beside the driver, or

(4) when the licensee is operating a motorcycle, at any time when accompanied by an adult who is the holder of a valid class M driver's license and who is operating a motorcycle in the general proximity of the licensee.

Any licensee issued a restricted license under this subsection shall not operate any motor vehicle with nonsibling minor passengers and any conviction for violating this provision shall be construed as a moving traffic violation for the purpose of K.S.A. 8-255, and amendments thereto.

A restricted driver's license issued under this subsection is subject to suspension or revocation in the same manner as any other driver's license. In addition, the division may suspend the restricted driver's license upon receiving satisfactory evidence that: (1) The licensee has violated the restriction of the license, (2) the licensee has been involved in two or more accidents chargeable to the licensee or (3) the recommendation of the chief law enforcement officer of any city or county requiring the recommendation has been withdrawn. The suspended license shall not be reinstated for one year or until the licensee reaches the age of 16, whichever period is longer.

Any licensee issued a restricted license under this subsection who: (1) is under the age of 16 years and is convicted of two or more moving traffic violations committed on separate

occasions shall not be eligible to receive a driver's license which is not restricted in accordance with the provisions of this subsection until the person reaches 17 years of age, or (2) fails to provide the required affidavit stating that the licensee has completed at least 50 hours of adult supervised driving with 10 of those hours being at night shall not be eligible to receive a driver's license which is not restricted in accordance with the provisions of this subsection until the person provides such affidavit to the division or the person reaches 17 years of age, whichever occurs first.

Any licensee issued a restricted license under this subsection on and after July 17, 1999, shall provide prior to reaching 16 years of age, a signed affidavit of either a parent or guardian, stating that the applicant has completed the required 25 hours prior to being issued a restricted license and 25 hours of additional adult supervised driving. Of the 50 hours required by this subsection, at least 10 of those hours shall be at night. The adult supervised driving shall be conducted by an adult who is at least 21 years of age and is the holder of a valid commercial driver's license, class A, B or C driver's license.

Evidence of failure of any licensee who was required to complete the 50 hours of adult supervised driving under this subsection shall not be admissible in any action for the purpose of determining any aspect of comparative negligence or mitigation of damages section 2, and amendments thereto, or a farm permit, under K.S.A. 8-296, and amendments thereto.

(b) Who is under the age of 18 years, except as provided in K.S.A. 8-2,147, and amendments thereto, for the purpose of driving a commercial or class A or B motor vehicle.

(c) Whose license is currently revoked, suspended or canceled in this or any other state, except as provided in K.S.A. 8-256, and amendments thereto.

(d) Who is a habitual drunkard, habitual user of narcotic drugs or habitual user of any other drug to a degree which

renders the user incapable of safely driving a motor vehicle.

(e) Who has previously been adjudged to be afflicted with or suffering from any mental disability or disease and who, at the time of making application for a driver's license, has not been restored to capacity in the manner provided by law. Application of this limitation to any person known to have suffered any seizure disorder is subject to the provisions of paragraph (7) of subsection (e) of K.S.A. 8-247, and amendments thereto.

(f) Who is required by the motor vehicle drivers' license act to take an examination, unless the person has successfully passed the examination.

(g) Who is at least 16 years of age and less than 17 years of age, who is applying for a driver's license for the first time since reaching 16 years of age and who, three times or more, has been adjudged to be a traffic offender under the Kansas juvenile code or a juvenile offender under the revised Kansas juvenile justice code, by reason of violation of one or more statutes regulating the movement of traffic on the roads, streets or highways of this state, except that, in the discretion of the director, the person may be issued a driver's license which is restricted in the manner the division deems to be appropriate. No person described by this subsection shall be eligible to receive a driver's license which is not restricted until the person has reached the age of 17 years.

(h) Who has not submitted proof of age or proof of identity, as required by K.S.A. 8-240, and amendments thereto.

(i) Whose presence in the United States is in violation of federal immigration laws.

Sec. 5. K.S.A. 8-239 is hereby amended to read as follows:
8-239. (a) Any person who is at least ~~14~~ 18 years of age may apply to the division for an instruction permit. The division may in its discretion, after the applicant has successfully passed all parts of the examination other than the driving test, issue to the applicant an instruction permit which shall entitle the applicant while having such permit in such person's immediate

possession to drive a passenger car upon the public highways for a period of one year subject to the restrictions herein contained. ~~The--division--may--issue--an--instruction--or--restricted--instruction--permit--to--any--person--who--is--at--least--14--years--of--age--and--under--the--age--of--16--years--only--upon--the--written--application--of--a--parent--or--guardian--of--the--minor.~~ The one having the instruction permit may operate a passenger car at any time when accompanied by an adult who is at least 21 years of age, who is the holder of a valid commercial driver's license, class A, B or C driver's license, who has had at least one year of driving experience and who is occupying a seat beside the driver. Any person who is at least 14 years of age may apply for an instruction permit to operate a motorcycle either separate from or in conjunction with an instruction permit to operate a passenger car, and such permit shall entitle the permittee to operate a motorcycle if such person is accompanied by an adult who is at least 21 years of age, who is the holder of a valid class M driver's license, who has had at least one year of driving experience and who is riding a motorcycle in the general proximity of the permittee.

~~(b)--The--division--upon--receiving--proper--application--may--issue--in--its--discretion--a--restricted--instruction--permit--effective--for--a--school--year--or--for--a--more--restricted--period--to--an--applicant--who--is--at--least--14--years--of--age--and--who--is--enrolled--in--a--driver--education--program--which--includes--practice--driving--and--which--is--approved--by--the--division,--even--though--the--applicant--has--not--reached--the--legal--age--to--be--eligible--for--a--driver's--license. Such--instruction--permit--shall--entitle--the--permittee--when--the--person--has--such--permit--in--such--person's--immediate--possession--to--operate--a--passenger--car--only--on--a--designated--highway--or--within--a--designated--area--but--only--when--an--approved--instructor--is--occupying--a--seat--beside--the--permittee--or--when--such--permit--has--been--endorsed--by--an--approved--instructor--to--operate--a--passenger--car--with--a--parent--or--guardian--who--is--the--holder--of--a--valid--commercial--driver's--license,--class--A,--B--or--C--driver's--license,--who--has--had~~

at--least--one--year--of--driving--experience--and--who--is--occupying--a--seat--beside--the--driver.

(c)--The--division,--in--its--discretion,--may--issue--a--temporary--driver's--permit--to--an--applicant--for--a--classified--driver's--license--permitting--the--applicant--to--operate--a--motor--vehicle--within--such--classification--while--the--division--is--completing--its--investigation--and--determination--of--all--facts--relative--to--such--applicant's--right--to--receive--a--driver's--license. The--division--may--issue--such--a--temporary--driver's--permit--to--any--applicant--whose--employer--certifies--that--such--permit--is--necessary--to--complete--seasonal--agricultural--operations--of--the--employer. Any--such--temporary--driver's--permit--issued--pursuant--to--this--subsection--shall--be--in--the--immediate--possession--of--the--permittee--while--operating--a--motor--vehicle,--and--it--shall--be--invalid--on--the--date--specified--thereon,--which--shall--not--be--more--than--15--days--after--its--issuance,--or--when--the--applicant's--license--has--been--issued--or--for--good--cause--has--been--refused.

Sec. 6. K.S.A. 8-291 is hereby amended to read as follows:
8-291. (a) It is a misdemeanor for any person to operate a motor vehicle in violation of the restrictions on any driver's license or permit imposed pursuant to any statute.

(b) (1) Any person guilty of violating this section, upon the first conviction, shall be fined not to exceed \$250, and the court shall suspend such person's privilege to operate a motor vehicle for not-less-than 30 days and-not-more-than-two-years.

(2) Any person guilty of violating this section, upon a second or--subsequent conviction, shall be fined not to exceed \$500, and the court shall suspend such person's privilege to operate a motor vehicle for not-less-than 90 days and-not-more-than-two-years.

(3) A person guilty of violating this section upon a third or subsequent conviction, shall be fined not to exceed \$750, and the court shall suspend such person's privilege to operate a motor vehicle for 1 year.

(c)--In--addition--to--the--penalties--provided--by--subsections

~~(b)(1) and (2), if the conviction is for a violation of this section committed after June 30, 1994, and before July 1, 1996, and committed while the person's driving privileges are restricted pursuant to K.S.A. 8-1014 and amendments thereto, the division upon completion of the period of suspension provided by this section, shall restrict the person's driving privileges for an additional 120 days to driving only a motor vehicle equipped with an ignition interlock device, as defined by K.S.A. 8-1013 and amendments thereto, approved by the division and obtained, installed and maintained at the person's expense.~~

~~On or before February 1, 1996, the division shall report to the legislature regarding the use of the provisions of this subsection and making recommendations concerning continuation or modification of such provisions.~~

~~(d) (c) Nothing in this section shall limit a court in imposing penalties, conditions or restrictions authorized by any other statute arising from the same occurrence in addition to penalties and suspensions imposed under this section.~~

Sec. 7. K.S.A. 8-296 is hereby amended to read as follows:
8-296. (a) Any person who is less than 16 17 years of age but is at least 14 years of age and who resides upon a farm in this state or is employed for compensation upon a farm in this state may apply to the division of vehicles for a farm permit authorizing such person, while possessing the permit, to operate any motor vehicle in class C, as designated in K.S.A. 8-234b, and amendments thereto.

(1) The A farm permit shall entitle the licensee who is at least 14 years of age, but less than 16 years of age to operate such motor vehicles at any time:

~~(1) (A) While going to or from or in connection with any farm job, employment or other farm-related work;~~

~~(2) (B) on days while school is in session, over the most direct and accessible route between the licensee's residence and school of enrollment for the purpose of school attendance; or~~

~~(3) (C) when the licensee is operating a passenger car at~~

any time when accompanied by an adult who is at least 21 years of age, who is the holder of a valid commercial driver's license, class A, B or C driver's license and who is actually occupying a seat beside the driver.

(2) A farm permit shall entitle the licensee who is at least 16 years of age, but less than 17 years of age to operate such motor vehicles at any time:

(A) From 5:00 a.m. to 12:00 p.m.; or

(B) when the licensee is operating a passenger car at any time when accompanied by an adult who is at least 21 years of age, who is the holder of a valid commercial driver's license, class A, B or C driver's license and who is actually occupying a seat beside the driver.

(b) A farm permit shall be issued only if:

(1) The applicant can prove that such applicant resides or works on a farm;

(2) the applicant has successfully completed the examination requirements in K.S.A. 8-235d, and amendments thereto; and

(3) the applicant submits the signed affidavit of either a parent or guardian, stating that the applicant lives on a farm or, if the applicant does not live on a farm but works on a farm, the applicant submits the signed affidavit of the applicant's employer and parent or guardian, attesting to such employment.

(c) Any licensee issued a farm permit under this section who is less than 16 years of age shall not operate any motor vehicle with nonsibling minor passengers and any conviction for violating this provision shall be construed as a moving traffic violation for the purpose of K.S.A. 8-255, and amendments thereto.

(d) Any licensee issued a farm permit under this section shall not operate a wireless communication device while driving a motor vehicle.

~~(d)~~ (e) As used in this section, "farm" means any parcel of land larger than 20 acres which is used in agricultural operations.

~~(e)~~ (f) A farm permit issued under this section is subject

to suspension or revocation in the same manner as any other driver's license. ~~A person who has been issued a farm permit and who violates this section by driving beyond the scope allowed in subsection (a) shall lose the farm permit and shall be issued no other driver's license for a period of one year or until the person reaches 16 years of age, whichever period is longer.~~ A farm permit shall be suspended in accordance with K.S.A. 8-291, and amendments thereto, for any violation of restrictions under this section.

~~(f)~~ (g) Any licensee issued a farm permit under this section on and after July 1, ~~1999~~ 2009, shall provide prior to reaching 16 years of age, a signed affidavit of either a parent or guardian, stating that the applicant has completed at least 50 60 hours of adult supervised driving with at least ~~10~~ 20 of those hours being at night. The adult supervised driving required by this paragraph shall be conducted by an adult who is at least 21 years of age and is the holder of a valid commercial driver's license, class A, B or C driver's license.

Evidence of failure of any licensee who was required to complete the 50 60 hours of adult supervised driving under this subsection shall not be admissible in any action for the purpose of determining any aspect of comparative negligence or mitigation of damages.

~~(g)~~ (h) Any licensee issued a farm permit under this section who:

(1) Is under the age of ~~16~~ 17 years and is convicted of two or more moving traffic violations committed on separate occasions shall not be eligible to receive a driver's license which is not restricted in accordance with the provisions of ~~subsection (a)~~ this section, until the person reaches ~~17~~ 18 years of age; or

(2) fails to provide the affidavit required under subsection ~~(f)~~ (g), shall not be eligible to receive a driver's license which is not restricted in accordance with the provisions of ~~subsection (a)~~ subsections (a)(1), (c) and (d), until the person provides such affidavit to the division or the person reaches ~~17~~

18 years of age, whichever occurs first.

Sec. 8. K.S.A. 8-297 is hereby amended to read as follows: 8-297. Notwithstanding any other provisions of this act, any person who held any valid restricted class C or class M driver's license, instruction permit ~~or~~, restricted instruction permit or farm permit on the effective date of this act may continue to operate motor vehicles subject to the conditions, limitations and restrictions contained in K.S.A. 8-237 and, 8-239 and 8-296, and amendments thereto, as in effect on June 30, ~~1993~~ 2008.

Sec. 9. K.S.A. 2007 Supp. 72-89c02 is hereby amended to read as follows: 72-89c02. (a) Whenever a pupil who has attained the age of 13 years has been expelled from school or suspended for an extended term in accordance with K.S.A. 72-8901 et seq. or 72-89a01 et seq., and amendments thereto, and such suspension or expulsion was imposed for committing a school safety violation, the chief administrative officer of the school from which the student was suspended or expelled shall notify the appropriate law enforcement agency of the suspension or expulsion. The notice shall be given within 10 days, excluding holidays and weekends, after the imposition of the expulsion or suspension. The notice shall include the pupil's name, address, date of birth, driver's license number, if available, a description of the school safety violation committed by the pupil and the date the pupil was expelled or suspended for an extended term. Following receipt of the notice, the law enforcement agency shall notify the division of the suspension or expulsion. The notice shall be given within 10 days, excluding holidays and weekends, of the date of receipt of notice from the chief administrative officer of the school from which the student was suspended or expelled. The notice shall include the pupil's name, address, date of birth, driver's license number, if available, a description of the school safety violation committed by the pupil and the date the pupil was expelled or suspended for an extended term. A copy of the notice also shall be given to the pupil and to the parent or guardian of the pupil.

(b) If timely notice is not given to the appropriate law enforcement agency or to the division as specified in subsection (a), the division of vehicles shall not suspend the pupil's driver's license or privilege to operate a motor vehicle on the streets and highways of this state.

(c) If timely notice is given to the appropriate law enforcement agency and the division as specified in subsection (a), the division of vehicles immediately shall suspend the pupil's driver's license or privilege to operate a motor vehicle on the streets and highways of this state. The duration of the suspension shall be for a period of one year. Upon expiration of the period of suspension, the pupil may apply to the division for return of the license. If the license has expired, the pupil may apply for a new license, which shall be issued promptly upon payment of the proper fee and satisfaction of other conditions established by law for obtaining a license unless another suspension or revocation of the pupil's privilege to operate a motor vehicle is in effect. If the pupil does not have a driver's license, the pupil's driving privileges shall be revoked. If timely notice is given to the appropriate law enforcement agency and the division as required by subsection (a), no Kansas driver's license shall be issued to a pupil whose driving privileges have been revoked pursuant to this subsection for a period of one year:

(1) Immediately following the date of receipt by the division of notification from a law enforcement agency containing the description of the pupil's act, if the pupil is eligible to apply for a driver's license; or

(2) after the date the pupil will be eligible to apply for a driver's license, if the pupil is not eligible to apply for a driver's license on the date of receipt of the notification.

(d) If the pupil's driver's license or driving privilege has been revoked, suspended or canceled for another cause, the suspension or revocation required by this section shall apply consecutively to the previous revocation, suspension or

cancellation.

(e) Upon suspension or revocation of a pupil's driver's license or driving privilege to operate a motor vehicle as provided in this section, the division of vehicles shall immediately notify the pupil in writing. If the pupil makes a written request for hearing within 30 days after such notice of suspension or revocation, the division of vehicles shall afford the pupil an opportunity for a hearing as provided by K.S.A. 8-255, and amendments thereto, except that the scope of the hearing shall be limited to determination of whether notice was given to the appropriate law enforcement agency and the division within the time specified in subsection (a).

(f) For the purposes of this section, the term driver's license includes ~~7-in-addition-to-any-commercial-driver's-license and-any-class-A7-B7-C--or--M--driver's--license7--any--restricted license--issued--under--K.S.A.7-8-2377-and-amendments-thereto7-any instruction-permit-issued--under--K.S.A.7-8-2397--and--amendments thereto7--and--any--farm--permit--issued--under--K.S.A.7-8-296~~ any license or permit to operate a motor vehicle issued under the provisions of article 2 of chapter 8 of the Kansas Statutes Annotated, and amendments thereto.

Sec. 10. K.S.A. 8-235d, 8-239, 8-291, 8-296 and 8-297 and K.S.A. 2007 Supp. 8-237 and 72-89c02 are hereby repealed.

Sec. 11. This act shall take effect and be in force from and after its publication in the statute book.