

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 8:30 a.m. on March 10, 2009, in Room 136-N of the Capitol.

All members were present except:

Senator Anthony Hensley- excused

Committee staff present:

Mike Corrigan, Office of the Revisor of Statutes
Jill Shelley, Kansas Legislative Research Department
Cindy Shepard, Committee Assistant

Conferees appearing before the Committee:

Deb Miller, Secretary of Transportation, State of Kansas
Mike Hutfles, Lobbyist, South Western Association
Michael McLin, Bureau Manager of Dealer Licensing, Kansas Department of Revenue
Don McNeeley, President, Kansas Automobile Dealers Association
Ann Mah, Representative, State of Kansas
Steve Kearney, Lobbyist, Kansas Automotive Recyclers Association
Vincent Melvin, Jr., President, M&M Auto Parts, Inc.

Others attending:

See attached list.

Deb Miller, Secretary of Transportation for the State of Kansas gave an overview of the American Recovery and Reinvestment Act of 2009, *Kansas - At a Glance (Attachment 1)*, as it relates to transportation. Secretary Miller reported the department's plans for 378 million dollars of federal stimulus funding for transportation projects in Kansas. Questions and answers followed including discussion of toll roads and the potential revenues that they may generate.

The Chairman opened the hearing on **HB 2188 - Dealer-hauler full-privilege trailer license plates**.

Mike Hutfles, appearing on behalf of South Western Association, testified in favor of **HB 2188**. South Western represents farm, construction/industrial and outdoor power equipment retailers. Mr. Hutfles stated that current law requires registration of all trailers the dealers are using regardless of whether these trailers are for resale or not. They are asking for relief from this manner of doing business by allowing dealers to purchase up to ten "full-privilege license plates" per year per dealership (Attachment 2).

Michael McLin, Bureau Manager of Dealer Licensing, for the Kansas Department of Revenue, provided testimony in support of **HB 2188**. The Department has worked with Industry and Kansas Automobile Dealers Association to establish a good policy for the use of such dealer hauler full use designation (Attachment 3).

Don McNeeley, President of the Kansas Automobile Dealers Association, spoke as a proponent of **HB 2188**. Discussions were held with the Division of Vehicles in regard to the expiration and renewal dates for "full-use" and "regular" dealer plates. Mr. McNeeley indicated an amendment was requested in the House Transportation Committee to match the dates to avoid confusion (Attachment 4).

There being no further conferees, the hearing on **HB 2188** was closed.

Seeing that there was no opposition to the bill, the Chairman indicated he would like to work this bill today. Senator Donovan moved, Senator Marshall seconded, to recommend **HB 2188** favorably for passage. Motion carried.

The hearing on **HB 2258 - Licensing vehicle crushers, recyclers, rebuilders scrap metal recycler** was opened.

Representative Ann Mah, spoke in favor of **HB 2258**. She stated she became aware last summer of a business in her district that was processing stolen vehicles, and that there were some holes in the law allowing

CONTINUATION SHEET

Minutes of the Senate Transportation Committee at 8:30 a.m. on March 10, 2009, in Room 136-N of the Capitol.

opportunities for cars to be stolen and crushed with no oversight. This bill creates a tool for law enforcement to catch and prosecute car thieves and their accomplices ([Attachment 5](#)).

Michael McLin, Bureau Manager of Dealer Licensing, testified as a proponent of **HB 2258** on behalf of the Department of Revenue. He stated that the bill enables the Department to license and regulate a market that has for many years been unregulated. By the State allowing these areas to go unregulated, it enables a large market for VIN cloning and trafficking of stolen vehicles ([Attachment 6](#)).

Steve Kearney, representing the Kansas Automotive Recyclers Association (KARA), testified in support of the **HB 2258**. According to Mr. Kearney, one of the gaping holes in the “cradle to grave” lifetime of an automobile has long been the fact that not all those involved in the disposition of automobiles are licensed and regulated. The bill intends to close that gap and create a system that discourages fraud, auto theft and protects consumers by licensing vehicle crushers, recyclers, scrap metal recyclers, rebuilders, and salvage vehicle pools. KARA supports the concepts embodied in this proposed legislation ([Attachment 7](#)).

Vincent Melvin, Jr., President of M&M Auto Parts, Inc., appeared as a proponent of **HB 2258**. He stated that it is very important that scrap dealers be licensed and controlled by the State of Kansas. Currently, it is easy to sell a vehicle to a scrap dealer without a title or certificate of title, no questions asked ([Attachment 8](#)).

Don McNeely, serving as President of the Kansas Automobile Dealers Association, presented testimony in support of **HB 2258**. According to Mr. McNeely, the entities detailed in this legislation have evaded licensing and regulation and need to be under the Kansas Vehicles Dealers and Manufacturers Act to ensure they are abiding by Kansas statutes as they pertain to this segment of the industry ([Attachment 9](#)).

Written testimony in support of **HB 2258** was submitted by:

Ron Miller, Chief of the Topeka Police Department ([Attachment 10](#))

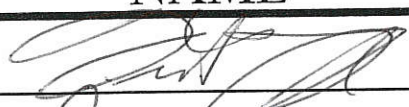
Discussion followed and the Chairman called on Ed Klummp, retired Chief of Police and the Legislative Committee Chair for the Kansas Association of Chiefs of Police and Kansas Peace Officers Association. Chief Klummp spoke about concerns of duplication in **SB 237** dealing with scrap metal that could potentially cause problems with enforcement of either bill. According to Chief Klummp, **HB 2258** should only deal with vehicle scrap metal and needs clarification. The Chairman requested that the interested parties come up with an amendment to address this potential concern.

There being no further conferees, the hearing on **HB 2258** was closed.

The meeting was adjourned at 9:33 a.m. The next meeting is scheduled for March 11, 2009.

SENATE TRANSPORTATION COMMITTEE GUEST LIST

DATE: 3/10/09

NAME	REPRESENTING
	Matt Adair Partner
Ann Mah	State Rep
Matt Casey	GTA
Kent Eckles	KS Chamber
TOM PALACE	PMCA OF KS
Tom Whitaker	KMCA
Jason Darland	Pinegar & Smith
Michael George	SHAWNE COUNTY SHERIFF
STEVE PHILLIPS	KANSAS ASSOCIATION OF AIRPORTS
JOHN SMITH	Intern, Sen. Pyle
CAROLAN ALDRITT	KDOR
Michael Melin	KDOR
Bill Sneed	State Farm
Kyle Schmeiser	KDOT
Braed Stauffer	Carte Group
STEVE KEARNEY	KS AUTO RECYCLERS
Mike Huttles	South Western Assoc.
Berend Koops	Hein Law Firm
Bud Burke	Haring & Asen

SENATE TRANSPORTATION COMMITTEE GUEST LIST

DATE: 3/10/09

NAME	REPRESENTING
Gabriel W. Newby	Economic Lifelines
Spencer Duncan	Capitol Connection LLC

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

KANSAS -- AT A GLANCE

How much money does Kansas get?

- **KANSAS = \$378 million total**
 - **Highways= \$348 million**
 - State Highways = \$268 million
 - Kansas City = \$22 million
 - Wichita = \$16 million
 - Local governments = \$32 million
 - Transportation Enhancements = \$10 million
 - **Transit = \$30 million**
 - Urban Providers = \$16 million
 - Rural Providers = \$14 million

Number of Jobs?

Based on the Federal Highway and Transit Administrations' methodologies, it's estimated the American Recovery and Reinvestment Act (ARRA) of 2009 spending will create or sustain **10,000 to 12,000 jobs in Kansas.**

What state highway projects is KDOT recommending?

Project	Cost Estimate	Let to Contract
US-69, Overland Park	\$84 million	90 Days
I-135/47 th Street, Wichita	\$23 million	90 Days
K-23, Gove County	\$11 million	90 Days
K-61, McPherson County --CTP commitment	\$88 million	90 Days
TOTAL	\$206 million	
K-18, Ogden- Manhattan -- if enough funds are available, build phase(s) of the project	\$140 million	March 2010



For questions about ARRA's impact on Kansas visit www.governor.ks.gov/recovery

For questions specifically about transportation contact (785) 296-3585 or publicinfo@ksdot.org

How will local projects be selected?

- KDOT will select the projects
- KDOT staff will work with local officials to recommend projects that meet ARRA requirements. Each KDOT District will receive a range of funding based on a formula similar to the Special City County Highway Fund

Other Key Points:

- ARRA funds are "use it or lose it." In order to make sure that all funds are spent in Kansas rather than being returned to the national pool, local governments must have their projects ready by December 1, 2009, which is earlier than ARRA requires. Funds not obligated on time will be returned to KDOT and applied to other projects to meet the ARRA deadline.
- Using KDOT's approach, ARRA funds for state, local and transit projects will be spent all across Kansas.
- In keeping with ARRA's goal of creating new jobs, KDOT's priority will be to advance as much additional work as possible rather than funding projects that were already planned and funded.

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AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

TRANSPORTATION - KANSAS

Overview

On Friday, February 13 Congress passed the American Recovery and Reinvestment Act of 2009 (ARRA) and President Obama signed that Act into law on Tuesday, February 17, 2009. It's the largest economic rescue program since the New Deal. Below are a few critical points about what the Act means to the State of Kansas and the State's approach to investing those funds. Additional detail can be found in the attached pages.



"While we have many more transportation needs in Kansas than the recovery package can fund, this legislation will allow us to invest dollars in transportation projects all across the state. The state projects KDOT has selected are game changers, which will serve our economy for decades."

– KDOT Secretary Deb Miller

- **Funds for Kansas** - Kansas will receive an estimated \$348 million for road and bridge projects and an estimated \$30 million for transit. The Kansas Department of Transportation (KDOT) intends to share the road and bridge funds with cities and counties according to the historical local share of (about 20 percent) federal highway funds. The Act directs \$38 million of the Kansas road and bridge funds to the Kansas City and Wichita metro areas and does not require sharing funds with local units of government. Distribution of transit funds is outlined in the Act.
- **Full use of available funds** – The ARRA funds are provided on a “use it or lose it” basis. KDOT, acting on behalf of the State, will take actions that ensure federal funds are used in Kansas and are not returned to the national pool. For example, deadlines will be set for funds shared with local units of government for road and bridge projects so that if there are problems with project schedules, funds can be transferred to other Kansas projects.
- **Emphasis on new, additional work** - The goal of the Act is to sustain or create more jobs for Americans. In keeping with that goal, KDOT intends to advance as much additional work as possible rather than fund projects that were already planned and funded.
- **Jobs** - Based on the Federal Highway and Transit Administrations’ methodologies, it’s estimated ARRA spending will create or sustain 10,000 to 12,000 jobs in Kansas.
- **More needs exist** – While \$348 million will help Kansas address important road and bridge needs, there are still many, many needs that can’t be addressed with ARRA funds. KDOT has a list of over a billion dollars in state projects that can be ready to let to contract within the timeframes prescribed.
- **Schedule** - Half of the funds for state projects must be obligated within 120 days after the funds are apportioned to the states.
- **Tracking progress** – KDOT wants Kansans to see how the ARRA funds are working for you. Please visit the Kansas Transportation Online Community at www.ktoc.net, or the KDOT Web site at www.ksdot.org to see how these funds are being put to work.



For questions about ARRA as it relates to transportation contact (785) 296-3585 or publicinfo@ksdot.org

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

BY THE NUMBERS FOR KANSAS

HIGHWAYS and BRIDGES – TOTAL funding \$348 million

Local jurisdictions – 20 percent of TOTAL = \$70 million

KDOT has historically shared about 20 percent of the state’s federal funding with local governments

Direct to metro areas – ARRA required = \$38 million

A portion is distributed directly to metro areas with a population over 200,000

MARC (Kansas City Area)..... \$22 million

WAMPO (Wichita Area)..... \$16 million

Other local governments – Remainder of local 20 percent \$32 million

This amount was derived by subtracting the legislated amounts for the metro areas from the 20 percent to be shared with local jurisdictions

Transportation Enhancements – ARRA required \$10 million

TE projects are cultural, aesthetic, and environmental multimodal transportation projects.

This amount is designated in the ARRA bill.

State Highways – Remainder of the funding \$268 million

After subtracting the funding for Local governments and Transportation Enhancement, the remainder will be spent on state highway projects throughout the state.

Rail Funding

While no funds are specifically designated for rail in Kansas, some highway funds could be applied to rail projects

PUBLIC TRANSIT – TOTAL funding \$30 million

Transit funds are divided into two categories, urban and rural. Urban funds are designated for cities with populations of 50,000 or more, and rural funds serve all remaining areas.

Urban Providers \$16 million

Rural Providers \$14 million

DISCRETIONARY FUNDING – \$1.5 billion nationwide

\$1.5 billion is available nationwide for capital investments in surface transportation infrastructure for state and local governments and transit agencies on a competitive basis. Projects must have a significant impact on the nation, a metropolitan area or a region.

AVIATION FUNDING – \$1.1 billion nationwide

\$1.1 billion is available nationwide for discretionary grants for the Airport Improvement Program. There are approximately 80 airports in Kansas that would be eligible to receive this funding, but there are only a few that have projects that are ready to go. KDOT estimates that Kansas has \$25 million worth of projects that would be eligible for these discretionary funds. The grants will be administered by the Federal Aviation Administration. Priority is given to projects that can be completed within 2 years.



For questions ARRA funding as it relates to transportation contact (785) 296-3585 or publicinfo@ksdot.org

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

WHAT IT MEANS FOR STATE HIGHWAY & BRIDGE PROJECTS

FUNDS AVAILABLE -- State Highway and Bridge Projects

- Kansas received an estimated \$348 million for road and bridge projects. \$38 million will be directed to the Kansas City and Wichita metro areas. KDOT will be sharing \$32 million with local units of government to maintain the historical 20 percent share level of federal funds. The remaining \$268 million will be used for state highway and bridge projects.
- KDOT compiled a list of more than a billion dollars worth of state projects that could be ready to let to contract within the time frames prescribed, so clearly there are more needs than funds available. If you'd like to review the full list, go to www.ksdot.org.

SELECTION PROCESS -- State Highway and Bridge Projects

- KDOT considered the following factors for selecting state road and bridge projects:
 - Complying with federal requirements including the development process (i.e., consultant selection, environmental clearances and right of way purchasing) and can meet the necessary schedule.
 - Serving an important transportation need (traffic volumes, bad pavement, etc)
 - Having gone through a public process (local consultation) and are considered a priority for the region
 - Advancing additional work (rather than funding projects that are already planned and funded)
 - Building on previous investments

RECOMMENDATIONS -- State Highway and Bridge Projects

- \$268 million for state highway and bridge projects (individual project sheets attached). All projects except K-18 can be let in 90 days.
 - Recommended projects – can be let in 90 days
 - US-69, Overland Park** – capacity/eco development \$84 million
 - I-135/47th Street, Wichita** – eco development \$23 million
 - K-23, Gove County** – practical improvement \$11 million
 - K-61, McPherson County** – CTP commitment \$88 million
 - Recommended project – August 2010
 - K-18, Ogden- Manhattan** – complete corridor, if possible \$140 million
 - Depends on construction costs
 - If corridor can't be complete, phase the project and build as much as possible

TRANSPORTATION ENHANCEMENTS

Kansas will receive \$10.4 million for Transportation Enhancement (TE) projects. These projects are to strengthen the cultural, aesthetic and environmental aspects of the nation's transportation system. KDOT initiated a call for projects on February 13th to the League of Kansas Municipalities, the Kansas Association of Counties and the MPOs. Preliminary deadline for project submission is February 27, 2009. For TE questions contact Joel Skelley at (785) 296-4209.

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For questions on ARRA as it relates to state highway projects contact (785) 296-3585 or publicinfo@ksdot.org

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

REMOVING A REGIONAL BOTTLENECK

Kansas: US-69 in Johnson County



Overland Park is the most populous city in Johnson County, which ranks in the top-third nationwide for economic growth.

Notable Project Facts

- Can be let to construction in 90 days
- This project can't be built without ARRA funds
- Local funding important – the local government is willing to contribute a significant portion of the cost (\$7 million) which promotes state and local partnerships
- Traffic volumes are expected to increase from 78,100 today to 165,600 in 2040

Why it Matters?

Fuels Economic Engine. As Plains States face declining population and shrinking tax bases, the city of Overland Park and the rest of Johnson County serve as a key economic engine for Kansas. The region has the largest concentration of employment in the state and is built on the backbones of the US-69 and I-435 corridors. Consider what clearing the bottleneck on US-69 can do in the long-term:

- **Population Growth**— The number of residents south of I-435 will double by 2020, thanks to the speedy, convenient access US-69 provides. More people will live in this area alone than currently live in all of Overland Park.
- **Job Growth**—Growth in the corridor south of I-435 will produce 220,000 jobs in this area by 2020.
- **Shorten Commute Times** —Commute times are projected to increase from 15 minutes to 35 minutes by 2030 if improvements aren't made. Improved travel times translate into reduced travel costs for commuters and businesses and that stimulates the economy in the long-term.

Solid Investment.

This project showcases both immediate returns to the economy and creates lasting value because of previous infrastructure investments.

- **Creates/Sustains Jobs Now**—It is estimated 2,730 jobs will be created/ sustained during construction.
- **Stimulates Economy**—It will generate about \$225 million in annual economic output during construction.
- **Builds on Other Investments**—Kansas has invested more than \$230 million in previous related projects in the corridor.
- **Better than Rehab**—KDOT would have to spend \$6M this year in pavement rehab if this project isn't constructed.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 SERVES THE STATE, LOCAL AND KTA SYSTEMS KANSAS: I-135 & 47TH STREET IN WICHITA



The \$23 million reconstruction and upgrade at the interchange of I-135 and 47th Street does a lot more for Kansas' largest city than removing a bottleneck – developers are ready to build new retail space and additional land will be opened for development

Notable Project Facts

- Can be let to construction in 90 days.
- This project can't be built without ARRA funding.
- Multiple entities (state, local and the nearby Kansas Turnpike) will benefit from upgrading this interchange.
- Local funding important—the local government is acquiring right of way and moving utilities which contributes roughly \$3 million to the project, promoting state and local partnerships.
- By completing this project, the highway can be removed from the state system and will become a city street.

Why it Matters?

Important Link for Economically Under-utilized Area. City officials and developers are eager to see improvements made in the I-135 and 47th Street area of Wichita, the largest city in Kansas. The current interchange is underperforming and stifling growth and development. Consider this:

- **Economic development is poised to move In** – Developers have been working closely with City and State officials and are prepared to move into the area once infrastructure improvements are in place.
- **Increase developable land** – Some of the property in the project area is currently in the flood plain. That land could be raised and developed with proper access and planning.
- **Increases development potential** – The proposed redesign would accommodate attractive routing and access points to abutting undeveloped property.

Solid Investment.

This project showcases immediate returns to the economy and creates lasting value by connecting growing communities via a safer and easier to travel freeway.

- **Creates/sustains jobs now** – An estimated 690 jobs during construction will be created/sustained.
- **Stimulates economy** – A \$57 million increase in annual economic output during construction is anticipated. The estimated benefit-cost ratio is 4-to-1.
- **Builds on other infrastructure investments** – More than \$2 million has already been invested in the development of this project.
- **Better than replacement option** – The existing bridge over I-135 will require replacement in the near future.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

REJUVENATING A RURAL HIGHWAY

K-23 in Gove County

Why it Matters?

Practical Improvement Approach – There is great interest and support for the Kansas Department of Transportation to use a more cost effective approach when modernizing less traveled highways. Achieving both safety and bottom-line savings is the essence of a practical approach to modernization. The project on K-23 in Gove County is a good example of KDOT implementing a practical improvement approach.

Often Cited by Local Officials – During KDOT’s local consultation meetings, K-23 was often cited by local officials. The road is narrow, lacks shoulders, has steep side slopes and has deteriorating pavement.

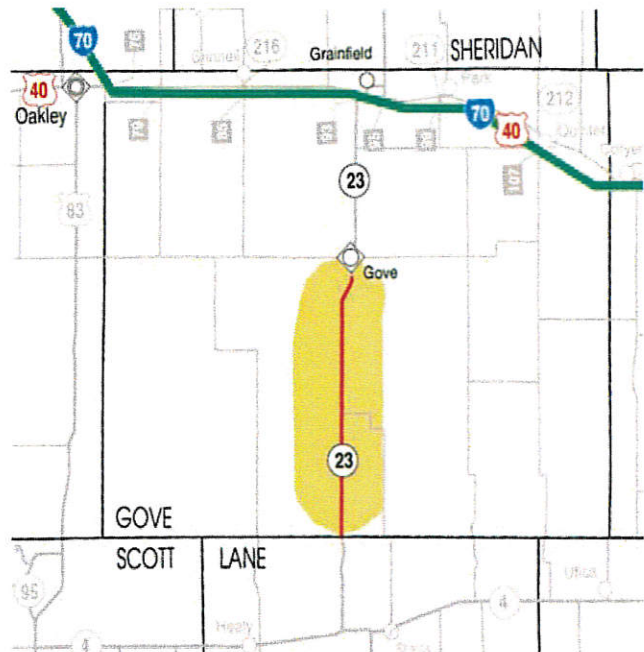
Supports Safety and the Economy- Nearly 40,000 trucks carrying more than \$285 million worth of goods utilize this section of K-23 each year, and this is expected to double by 2030. Agriculture is a key industry in the area and this project will provide important safety improvements



Solid Investment.

The project will bring quick returns to the economy and create lasting value due to infrastructure improvements.

- **Creates/Sustains Jobs Now** – It is estimated the project will support more than 330 jobs during construction.
- **Stimulates Economy** – It will generate about \$29 million in annual economic output during construction.
- **Improves Travel** – The improvement will create a more comfortable driving experience and enhance travel safety.



This \$11 million project, which spans 16 miles, will enhance safety and help support an important regional freight corridor.

Notable Project Facts

- Can be let to construction in 90 days
- This practical improvement approach saves more than \$7 million in project costs. KDOT’s traditional approach of building to full design standards would have cost about \$1.2 million per mile – right of way would have been purchased, six-foot shoulders would have been added and significant grading would have been required. Instead, KDOT will “shave off” or remove layers of deteriorated pavement that have built up over the years. This will allow a two-foot shoulder to be added on each side of the highway and rumble strips will be added to the shoulders.
- This project is a good example of KDOT listening to the concerns of the public and finding a way to provide a safety improvement at a lower cost.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

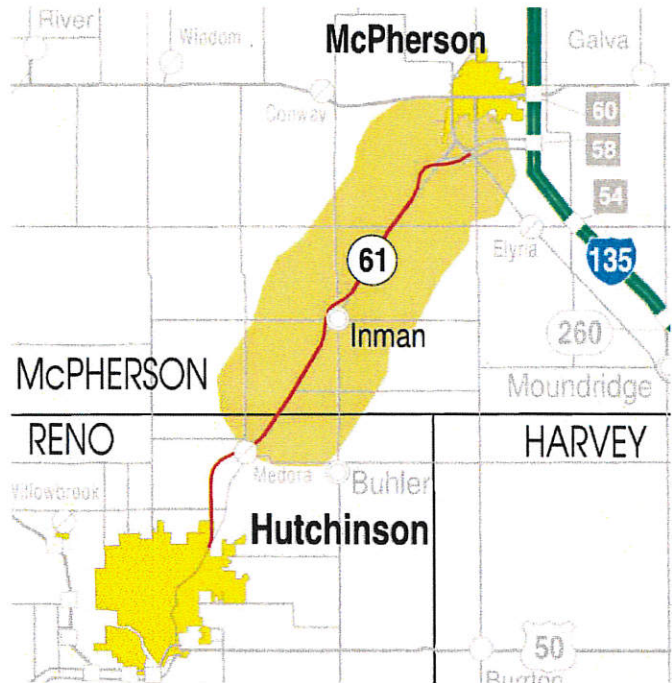
KEEPING COMMITMENTS MADE UNDER THE CTP

K-61 in McPherson County

Why it Matters?

Completes the Comprehensive Transportation Program (CTP) – The expansion of highway K-61 from Hutchinson to McPherson is the last remaining major CTP project not let to construction. Given the State’s fiscal challenges and uncertainty about future Federal funds, KDOT suspended most construction lettings in December 2008, including K-61 and US-169. After detailed financial assessments and in order to take advantage of good bid prices, KDOT decided in February 2009 to move forward with the remaining CTP projects – except for K-61 section in McPherson due to its cost and impact to cash flow projections. This project was removed from the letting schedule and without ARRA funds, KDOT would not be able complete commitments made under the CTP. The project offers many benefits including:

- **Links Hutchinson to I-135** – Hutchinson is the largest city in Kansas not served by an Interstate, and K-61 is a direct link to I-135.
- **Completes the K-61 Corridor** – The corridor was divided into three projects. The first in Reno County was let to construction in February 2009.
- **Investments Already Made** – More than \$60 million has been committed to this corridor in construction and preliminary engineering costs.
- **Serves Freight Traffic** – Approximately 300,000 trucks, hauling primarily agricultural products, travel this corridor each year.



Even though the State committed to improving this corridor 10 years ago, KDOT was unable to uphold that commitment and the project had been removed from the letting schedule. Now with ARRA funds, this project and commitments made under the CTP can be completed.

Notable Project Facts

- Can be let to construction in 90 days
- Can't be completed without ARRA funds
- Local funding is important - Reno and McPherson Counties and the cities of Inman, McPherson and Hutchinson jointly applied for the project and volunteered to contribute \$275,000 toward the cost and to take over 17 miles of K-14 in Reno County and 4.6 miles of state connector highways in McPherson County.
- The project had a thorough public involvement process. Input from the sponsors and the public had a significant impact on location and design decisions.

Solid Investment.

The project will bring quick returns to the economy and create lasting value due to infrastructure improvements.

- **Creates/Sustains Jobs Now** – It's estimated the project will support more than 2,900 jobs during construction.
- **Stimulates the Economy** – It will generate more than \$220 million in annual economic output during construction.
- **Supports Development** – It will improve access to the southwest corner of McPherson to accommodate increased traffic from industrial development in the area. The Inman interchange opens economic development opportunities and at-grade crossings at about two-mile intervals offer development opportunities for those areas.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

CORRIDOR TO EXPANDING MILITARY & BIOSCIENCE COMPLEXES

Kansas: K-18 Ogden to Manhattan (Only Partial Funding Available)

Why it Matters?

Connects National-Scale Initiatives - Explosive growth has come to this region as the Big Red One returns to Fort Riley along with soldiers from other BRAC closures. The City of Manhattan, located 16 miles away via K-18, is home to Kansas State University and was recently selected as the new home for the National Bio and Agro-defense Facility (NBAF). Consider this:

- **Population growth** – 19,000 soldiers + 10,000 additional employees.
- **Job growth** – The new \$450 million NBAF facility will employ 500 people. And 50 additional research-related firms may locate in the area. The facility will also result in about 1,200 construction jobs and will make Manhattan home to more international conferences.

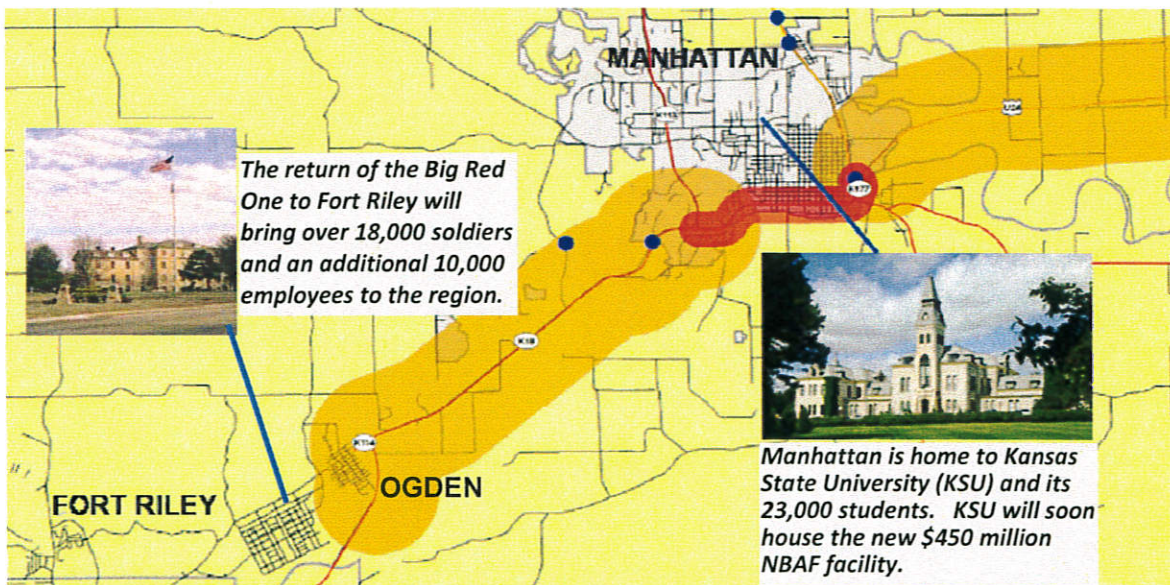
Notable Project Facts

- Can be let to construction in ARRA timeframe
- Could not be completed without ARRA funding.
- K-18, with a 24 percent growth in traffic from 2000-2008, is one of the fastest growing corridors in Kansas.

Solid Investment.

This project showcases both immediate returns to the economy and creates lasting value by connecting growing communities via a safer and easier to travel freeway.

- **Creates/sustains jobs now** - 4,200 construction jobs will be created/sustained.
- **Stimulates economy** - Has a projected 20-year economic impact of \$3 billion. And \$350 million increase in annual economic output.
- **Builds on other infrastructure investments** – More than \$50 million has been invested in this corridor in the last 5 years and this last section completes previous work.
- **Can be phased** – Full funding for this \$140 million project is not available. Several factors including how much funding is made available through the ARRA and the costs for other projects will have to be assessed. Construction could be phased.
- **Aligns with State's Initiatives**—Kansas has made a substantial investment to make this area a leader in bioscience research and this project will help serve these efforts.



The \$140 million project will complete the 4-laning of the K-18 corridor which connects rapidly growing Fort Riley to the city of Manhattan, site of the new NBAF facility. This is one of the fastest growing corridors in the state and a 4-lane is desperately needed.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

WHAT IT MEANS FOR LOCAL PROJECTS

TRANSPORTATION- KANSAS

FUNDS AVAILABLE -- Smaller Urban and County Road and Bridge Projects -- \$32 million

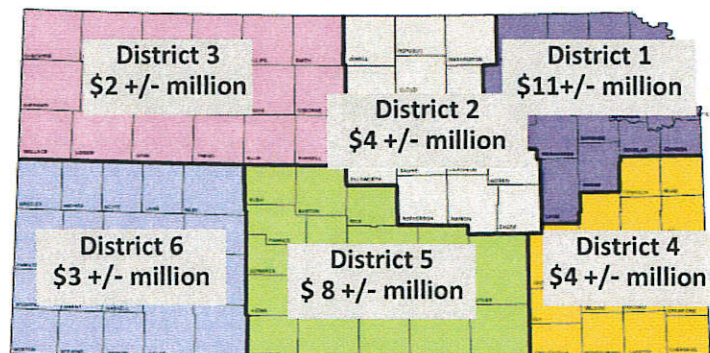
- Historically, local governments have received approximately 20 percent of the federal funds available for roads and bridges. Though ARRA only specifies that funds be allocated to areas over 200,000, KDOT intends to share funds and will set-aside an estimated \$32 million for cities and counties outside of Wichita and Kansas City.

SELECTION PROCESS -- Smaller Urban and County Road and Bridge Projects

- Funding won't be automatically allocated to each and every city and county. KDOT District and Area Engineers will play a significant role in the selection process. KDOT will select the projects to be funded based on project applications.
- KDOT will issue a call for projects on February 20, 2009. The call for projects, application form and federal guidelines summary will be posted online at www.ksdot.org.
- Applications are due to KDOT March 13, 2009.
- KDOT Area Engineers will contact each city and county after applications are received.
- KDOT will use a number of factors in selecting local road and bridge projects.
 - One** – can the project meet federal requirements (such as consultant selection requirements, environmental clearances, and right of way acquisition procedures)
 - Two** – can the project be far enough along in the development stage that the project will meet the December 1, 2009 deadline established by KDOT.
 - Three** – other factors– does the project serve an important transportation need? Would it be able to be built without ARRA funds? Will there be safety and economic impacts?

Funding

The estimated \$32 million will be allocated to the six KDOT districts (regions) based on regional population and miles of road, similar to the formula used by the Special City County Highway Fund. The estimated funding for each district based on this formula is shown at the right.



SCHEDULING & COMMUNICATION—Smaller Urban and County Road and Bridge Projects

- The ARRA funds are provided on a “use it or lose it” basis. KDOT, acting on behalf of the state, will take actions that ensure federal funds are used in Kansas and are not returned to the national pool. KDOT has set a deadline of December 1, 2009 for funds shared with local units of government for road and bridge projects so that if there are problems with project schedules, funds can be transferred to other Kansas projects.
- KDOT wants to keep you fully informed. Please visit the Kansas Transportation Online Community at www.ktoc.net, or the KDOT Web site at www.ksdot.org for more information or contact Ron Seitz at (785) 296- 3861 or seitz@ksdot.org.

Kansas City and Wichita – Transportation Management Areas (TMAs) over 200,000

- \$ 38 million directed to Kansas City and Wichita TMAs for use within those boundaries
 - MARC (Kansas City Area) receives \$22 million
 - WAMPO (Wichita Area) receives \$16 million
- Cities and counties within the TMAs will submit their projects to the Metropolitan Planning Organizations (MPOs) including the Mid-American Regional Council (MARC) and the Wichita Area Metropolitan Planning Organization (WAMPO).
- The MPOs select projects within the TMA boundaries.
- The portions of the counties outside the TMAs boundaries are eligible for the smaller urban city/county funds described above.

AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009

WHAT IT MEANS FOR TRANSIT & AVIATION PROJECTS

TRANSPORTATION - KANSAS

TRANSIT – Funds Available

- Kansas will receive about \$30 million for transit.
 - \$15.7 million will be provided to urban transit providers directly from the Federal Transit Administration, at the following estimated dollar amounts:
 - Wichita - \$6.6 million
 - Johnson County - \$2.8 million
 - Unified Government of Wyandotte County - \$1.9 million
 - Topeka - \$2.5 million
 - Lawrence - \$1.9 million
 - St. Joseph (Kansas side of the area) - \$16,000
 - Approximately \$14 million will be available for rural transit projects including transit vehicles, construction projects, dispatching improvements and 800 megahertz communication towers.



There are four major bus manufacturers in Kansas that should benefit substantially from the \$12 billion national investment the ARRA made in transit.

TRANSIT– Project Selection

- KDOT will select rural transit projects. The call for capital projects was issued on Friday, February 6th and project applications were due Friday, February 13.
- KDOT will consider a number of factors in selecting rural transit projects. Those factors include:
 - Projects that can implemented within 180 days
 - Projects that will increase/improve services in un- or under-served areas
 - Projects that help implement regional coordination efforts.

“Due to the economic downturn, we have had to eliminate manufacturing jobs over the past six months. With the increased demand expected from the economic recovery act, we are hoping to, at the least, get back up to previous staff levels and hopefully expand our workforce.”

--Mitch Comfort, Director of Sales and Marketing for El Dorado National

TRANSIT– Communication

KDOT wants to keep you fully informed. Please visit the Kansas Transportation Online Community at www.ktoc.net, or the KDOT Web site at www.ksdot.org for more information or contact Lisa Koch at (785) 296-4907.

AVIATION – Funds Available and Project Selection

\$1.1 billion is available nationwide for discretionary grants for the Airport Improvement Program. There are approximately 80 airports in Kansas that would be eligible to receive this funding, but there are only a few that have projects that are ready to go. KDOT estimates that Kansas has \$25 million worth of projects that would be eligible for these discretionary funds. The grants will be administered by the Federal Aviation Administration. Priority is given to projects that can be completed within two years.



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Services & Solutions for Successful Equipment & Hardware Retailers!

**THE SENATE HOUSE COMMITTEE ON TRANSPORTATION
OF THE KANSAS LEGISLATURE
Senator Dwayne Umbarger, Chairman**

March 10, 2009

**Testimony of Mike Hutfles
In Support of HB 2188**

Mr. Chairman and the Members of the House Transportation Committee,

I am Mike Hutfles representing the SouthWestern Association.

The SouthWestern Association is a retail trade association headquartered in Kansas City, MO. SouthWestern Represents farm, construction/industrial and outdoor power equipment retailers in Kansas, Missouri, New Mexico, Oklahoma and Texas.

Many of our members in Kansas sell, lease and rent equipment to their customers by having their salesmen travel throughout the state to job sites demonstrating the equipment that the customer is considering buying. These salesmen load equipment on trailers and haul the equipment behind their trucks to the job site where the equipment is put into use and demonstrated so that the customer is assured that the equipment will operate in the soil and rock conditions he is dealing with on his particular job site.

Some of this equipment is sold with a trailer as the equipment has to be transported by the customer from job site to job site. Sometimes, the customer has his own trailer or other means of transporting the equipment once he owns it. In either case, the salesmen are using trailers to haul equipment for demonstration purposes, delivery or for pick-up and delivery in the situation where the equipment needs repair.

Under current Kansas law, we find that our members must license and register all of the trailers they are using – regardless of whether these trailers are for resale purposes or not. For example, if a dealer has a piece of equipment they normally would sell with a trailer, the salesman hauls the equipment and trailer to the job site for a demonstration. The dealer has the trailer licensed in the dealership name and if the customer buys the equipment/trailer “package” and the salesman leaves the equipment and trailer on the site, then the dealer has paid the registration and licensing on that particular trailer, sold it and the new owner then registers and licenses the same trailer.

Senate Transportation

3-10-09

Attachment 2

We are asking for relief from this cumbersome manner of doing business by allowing dealers to purchase up to ten (10) "full-privilege license plates" per year per dealership. These plates would exempt dealers from having to purchase a regular trailer registration and license plate and the dealer could transfer the "full-privilege license plates" from one trailer to another that they own or are in their inventory for resale.

Passage of HB2188 will be of extreme benefit to equipment dealers located in Kansas other retailers and manufacturers of nonhighway equipment that must be transported via trailers.

Thank you for this opportunity to appear before you, and I will be happy to answer any questions you may have.

Sincerely,

Mike Hutfles

To: Senate Transportation – Chairman Umbarger
Senate Transportation Committee Members

From: Michael J. McLin – Bureau Manager Dealer Licensing

Subject: HB 2188 – Dealer Hauler Bill

Good Morning, I want to take time to Thank You, Mr. Chairman and Committee Members for affording me the opportunity to provide both written and oral testimony to you today in regards to HB 2188.

I am here today in support of HB 2188, which authorizes Licensed Dealerships of Trailers the ability to haul their products from site to site. Currently, the Dealer Licensing Laws do not allow this to occur as the maximum weight allowed on dealer license plates is not to exceed two tons.

HB 2188 allows companies like Vermeer, Ditch Witch, etc. to haul and demonstrate their equipment by a Dealer Full Usage Plate. This Bill would allow the weight to be extended to not exceed 85,500lbs. Over the past year, the Department has worked hand and hand with Industry and Kansas Automobile Dealers Association (KADA) to establish a good Policy for the use of such Dealer Hauler Full Use Designation.

Therefore, the Department is in support of HB 2188. Mr. Chairman and Committee Members, I want to thank you for your time, I will now stand for questions.

Sincerely,



Michael J. McLin
Bureau Manager
Dealer Licensing



KANSAS AUTOMOBILE DEALERS ASSOCIATION

March 10, 2009

To: The Honorable Dwayne Umbarger, Chairman
and Members of the Senate Transportation Committee

From: Don McNeely, President

Re: HB 2188 - An Act concerning dealer-hauler full-privilege trailer license plates

Good morning Chairman Umbarger and Members of the Senate Transportation Committee. I am Don McNeely and I serve as the President of the Kansas Automobile Dealers Association, which represents the retail franchised new motor vehicle industry in Kansas.

I am pleased to appear today in support of HB 2188 and thank the sponsor of this legislation and the Division of Vehicles for the opportunity to provide input in the drafting of the legislation.

After induction of HB 2188, discussions were held with the Division of Vehicles in regard to the expiration and renewal date of January 31st for "full-use" dealer plates and the expiration and renewal date of February 16th for "regular" dealer plates. KADA requested an amendment to HB 2188 in the House Transportation Committee to match the renewal date of "full-use" dealer tags to the renewal date of regular dealer tags to avoid the confusion of the expiration dates and to assist the Division in the timely administration of the annual dealer licensing renewal process, which has become increasingly lengthy due to the required tax clearance requirement. KADA's requested amendment was adopted.

On behalf of the Kansas Automobile Dealers Association, we respectfully request your support of HB 2188.

ANN E. MAH
REPRESENTATIVE, 53RD DISTRICT
3351 SE MEADOWVIEW DR.
TOPEKA, KANSAS 66605
(785) 266-9434



TOPEKA

HOUSE OF
REPRESENTATIVES

CAPITOL BUILDING
TOPEKA, KANSAS 66612
(785) 296-7668

Senate Committee on Transportation
HB 2258
Testimony – March 10, 2009

Mr. Chairman and Committee:

Thank you for hearing our bill today. I first became aware of issues related to automobile recycling and crushing last summer when I learned of a business in my district that might be processing stolen vehicles. I notified Department of Revenue employees to provide information for an investigation that eventually led to an arrest.

Michael McLin, in the Titles and Registration division of the Department of Revenue, told me there were some holes in the law that needed to be covered to reduce the opportunities for cars to be stolen and crushed with no oversight. We are here to cover the holes today and create a tool for law enforcement to catch and prosecute car thieves and their accomplices.

I'll let those in the industry tell you why this bill is needed and important it is to them. I appreciate your hearing the bill and urge you to send this to the Senate floor favorably so it might become law this year.

KANSAS

DEPARTMENT OF REVENUE

Kathleen Sebelius, Governor
Joan Wagnon, Secretary

www.ksrevenue.org

To: Senate Transportation – Chairman Umbarger
Senate Transportation Committee Members

From: Michael J. McLin – Bureau Manager Dealer Licensing

Subject: HB 2258 – Licensing Recyclers, Rebuilders, Crushers, Scrap
Metal Recyclers, and Salvage Pools

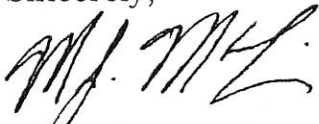
Good Morning, I want to take time to Thank You, Mr. Chairman and Committee Members for affording me the opportunity to provide both written and oral testimony to you today in regards to HB 2188.

I am here today in support of HB 2258, which requires all Recyclers, Rebuilders, Scrap Metal Recyclers, Crushers, and Salvage Pools to be licensed as a Dealer in the Kansas Dealer Licensing Act, K.S.A. 8-2401. Currently, the Dealer Licensing Laws do not allow any law enforcement officer or the Division of Vehicles to complete inspections of their site. It also does not require these above mentioned entities to report the status of their vehicles.

HB 2258 enables the Department to License and regulate a market that has for many years been unregulated. By the State of Kansas allowing the above mentioned areas to go unregulated, it enables a large market for VIN Cloning and trafficking of stolen vehicles.

Therefore, the Department is in support of HB 2258. Mr. Chairman and Committee Members, I want to thank you for your time, I will now stand for questions.

Sincerely,



Michael J. McLin
Bureau Manager
Dealer Licensing

DIVISION OF VEHICLES
DEALER LICENSING BUREAU
DOCKING STATE OFFICE BUILDING, 915 SW HARRISON ST., TOPEKA, KS 66612-1588
Voice 785-296-3621 Fax 785-296-3852 <http://www.ksrevenue.org/>

Senate Transportation
3-10-09
Attachment 6

HB 2258 TESTIMONY ON BEHALF OF
THE KANSAS AUTOMOTIVE RECYCLERS ASSOCIATION

TO: SENATE TRANSPORTATION COMMITTEE
FROM: STEVE KEARNEY ON BEHALF OF KARA
SUBJECT: HB 2258
DATE: 3/9/2009

Chairman Umbarger and members of the committee thank you for considering this important issue. The membership of the Kansas Automotive Recyclers Association which is comprised of salvage vehicle dealers supports the concepts embodied in HB 2258.

One of the gaping holes in the cradle to grave lifetime of an automobile has long been the fact that not all those involved in the disposition of automobiles are licensed and regulated, in this instance by the Kansas Department of Revenue. This bill intends to close that gap and create a system that discourages fraud, auto theft and protects consumers by licensing vehicle crushers, recyclers, scrap metal recyclers, rebuilders, and salvage vehicle pools.

Two of separate and distinct areas of concern for Kansas have been “rebuilders” and “salvage vehicle pools”. If a vehicle finds itself at either of these junctures during its lifetime the potential for damage to Kansans exists. In the instance of a “rebuilder” the return of a motor vehicle to Kansas roads in the hands of what can be an unsuspecting consumer by an unregulated entity can result in an unsafe vehicle returned to the road without adequate disclosure. Once resold or traded in on another vehicle the fact that a vehicle is rebuilt can be lost and the consumer and unsuspecting car dealer taking it on a trade can be damaged both economically and incur liability for failing to disclose or otherwise inform a consumer about a cars history.

The “salvage pool” is another gap in the life of an automobile that presents opportunity for fraud and auto theft. These “pools” also known as insurance auto auctions are not regulated through licensure and frequently are selling damaged vehicles to other than licensed salvage dealers, but to rebuilders, foreign nationals and those looking for titles matching vehicles that have been or will be stolen. With the advent of online bidding almost exclusively by these “pools” the tracking of to whom the vehicle is sold and what the use of the vehicle or title is, have been exacerbated.

In 2006 a Legislative Post Audit was conducted in this area and I would commend it to your review. It is Audit number 06PA06. The recommendations by Post Audit were as follows:

“To better protect the citizens of Kansas from the physical and financial dangers of salvage vehicles that have been inadequately repaired or fraudulently titled, the Department of Revenue’s Division of Vehicles should propose legislation to the 2007 Legislature that would give the State meaningful oversight of salvage vehicle pools. In developing that proposal, the Division

SENATE COMMITTEE ON TRANSPORTATION
TESTIMONY HB 2258
MARCH 10, 2009

My name is Vincent P. Melvin, Jr. I am the president of M & M Auto Parts, Inc., 841 NW Tyler St., Topeka, KS 66608. We have been in business for 25 years this month. From the beginning we were required to have an auto salvage license from the State of Kansas because we purchase salvage vehicles and sell the parts from the vehicles. We also have a used car license from the State of Kansas. These licenses require us to report each vehicle we sell or scrap. When we scrap or sell a used vehicle we document the date of sale and the VIN # and to who the vehicle was sold to and send in a monthly report. These licenses also require we be bonded on each license.

I understand this bill when passed will require scrap yards to apply for and receive a license from the State of Kansas. I was told that a scrap yard did not require a license because they did not sell parts off of the vehicles. Each and every vehicle they process they will be required to submit the same information as the present licenses dealers to the State each month along with the copy of the title.

I believe this is very important that the scrap dealers be licensed and controlled by the State of Kansas. The biggest reason is to control the vehicles that are being removed from service. The other reason is to assist the local police department with vehicles that may be stolen. It is easy to sell a vehicle to a scrap dealer without a title or certificate of title. No questions asked.

I trust that you will vote to pass the bill.

Vincent P. Melvin, Jr
President
M&M Auto Parts Inc.



KANSAS AUTOMOBILE DEALERS ASSOCIATION

March 10, 2009

To: The Honorable Dwayne Umbarger, Chairman
and Members of the Senate Transportation Committee

From: Don McNeely, President

Re: HB 2258 - An Act in relation to the licensing and regulation of vehicle crushers, recyclers, rebuilders, salvage auction pools and scrap metal recyclers.

Good morning Chairman Umbarger and Members of the Senate Transportation Committee. I am Don McNeely and I serve as the President of the Kansas Automobile Dealers Association, which represents the retail franchised new motor vehicle industry in Kansas.

I am pleased to appear today in support of HB 2258 and thank the sponsor of this legislation for bringing this issue to the Legislature's attention. The licensing and regulation of the entities detailed in this legislation has been discussed many times by the Division of Vehicles' Dealer Review Board for a variety of different reasons. Kansas has for years licensed and regulated motor vehicle manufacturers, motor vehicle converters, new, used and salvage motor vehicle dealers, in addition to the lending agencies which finance motor vehicle purchases. How the entities which are responsible for ensuring the proper reporting of when a vehicle has been dismantled, disassembled, recycled or sold as scrap have evaded licensing and regulation has puzzled our segment of the industry.

The reasons for bringing these entities under the Kansas Vehicle Dealers and Manufacturers Licensing Act is essentially to attempt to limit and control the criminal and fraudulent activities that has been known to occur as a motor vehicle is retired from it's useful life and to assure that those entities, who are rebuilding, dismantling and recycling motor vehicles are abiding by Kansas statutes, as they pertain to this segment of the industry and were enacted for the protection and benefit of the Kansas consumer. It has been our experience that those who would attempt to be involved in such criminal and fraudulent activity, tend to operate in those states which has the most lenient regulatory system in this regard.

On behalf of the Kansas Automobile Dealers Association, we respectfully request the Committee's support of HB 2258.

Senate Transportation

3-10-09

Senate Committee on Transportation
Testimony HB 2258
March 10, 2009

As the Chief of Police for the Topeka Police Department, I support efforts to regulate vehicle crushers, vehicle recyclers, scrap metal recyclers, rebuilders, and salvage vehicle pools. In Topeka we have experienced issues pertaining to the businesses. Cars have been stolen off the street and taken to vehicle recyclers to be sold as scrap. We have experienced stolen scrap metal including City of Topeka utility "manhole" covers actually stolen from the street and taken to local scrap yards to be sold as scrap metal. Throughout the state other jurisdictions have experienced the same type of problems. Bills requiring licensing and regulation would help reduce crime in Kansas.

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