

MINUTES OF THE HOUSE TRANSPORTATION.

The meeting was called to order by Chairperson Gary Hayzlett at 1:55 p.m. on March 26, 2002 in Room 519-S of the Capitol.

All members were present except:

Representative Howell, excused
Representative Phelps, excused

Committee staff present:

Bruce Kinzie, Office of the Revisor
Hank Avila, Legislative Research Department
Ellie Luthye, Committee Secretary

Conferees appearing before the committee:

Sheila Walker, Director, Division of Vehicles
Don McNeely, Kansas Automobile Dealers Association
Tom Whitaker, Kansas Motor Carriers Association

Others attending:

See attached sheet

SB 458 - Vehicle dealers and manufacturers, license fees, increasing

Chairman Hayzlett opened hearings on **SB 458**. Sheila Walker, Director, Division of Vehicles, explained the bill would increase dealer licensing fees \$25.00, which would bring Kansas more in line with other states' dealer licensing fees. The increased funds would be deposited in the existing Dealer and Manufacturers' Fund to pay for background checks and the National Motor Vehicle Title Information System (NMVTIS). Following a background check by the Kansas Bureau of Investigation there are three criteria for suspending or revoking a dealer's license: 1) convicted of a felony 2) convicted of any crime involving moral turpitude and 3) found guilty of any state of U.S. law in connection with such person's operation as a dealer or salesperson. However, due to lack of funds for the past two years these background checks were not made. The FBI gave them a price break for one year so they have begun doing these checks again but next year the cost is expected to increase to full price. She stated this legislative proposal to increase the dealer licensing fees is designed, in part, to recover the costs of the background checks.

She continued, as recommended by their Dealer Review Board, the increase in fees would also cover the costs of the NMVTIS. She said NMVTIS is used by state motor vehicle titling agencies, law enforcement, consumers insurance carriers, dealers and others to instantly and reliably verify information on a vehicle and is expected to decrease the ability of criminals to obtain titles fraudulently and reduce the number of titles issued on stolen vehicles. Fewer than a dozen states are currently using NMVTIS and Kansas has submitted a letter of intent.

She explained an amendment they would like to add to the bill which would relate to temporary trade show licenses and the restrictions thereof. She concluded this is the result of a cooperative effort between the Division of Motor Vehicles and the industry to promote trade and commerce throughout the state.

(Attachment 1)

Don McNeely, President, Kansas Automobile Dealers Association, spoke in support of **SB 458**. He said while no one likes enhancements to required state licensing fees, the industry does recognize from time to time that fee enhancements are necessary, especially, when they provide needed funding for beneficial programs and services which benefit the consuming public and the industry-at-large. He stated the proposed amendment would limit fraud, promote enforcement of dealer licensing laws and control the adverse economic impact by out-of-state recreational vehicle and semi-truck/tractor trailer dealers when displaying their vehicles in Kansas as part of a legitimate trade show. In addition, with the inclusion of the reciprocity language, the amendment would allow Kansas licensed dealers of these types of vehicles to enjoy the benefits of temporarily displaying their vehicles at trade shows located in other states with similar reciprocal language. (Attachment 2)

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Tom Whitaker, executive director of the Kansas Motor Carriers Association, said his organization believe the amendment will allow for expanded convention and trade show business in Kansas and asked for support of **SB 458**. (Attachment 3)

There were no other proponents and no opponents. Following questions from the committee Director Walker will provide information as to what Oklahoma charges for dealers' licenses and also what twelve states now are enrolled in NMVTIS.

Chairman Hayzlett closed hearings on **SB 458**.

SB 410 - Division of vehicles, motor vehicle records

Chairman Hayzlett opened **SB 410** for discussion and final action. Representative Powers made a motion to pass SB 410 favorably, seconded by Representative Levinson.

Representative Dillmore made a substitute motion to amend SB 410, adding the language requested by Ron Gaches at the hearing on March 19th and supported by the Division of Vehicles, which would allow access to Kansas' motor vehicle records "all federal, state and local government agencies including any court or law enforcement agency, or any private person or entity acting on behalf of such agencies in carrying out the functions required of such governmental agencies except that such records shall not be redisclosed. This was seconded by Representative Humerickhouse.

Representatives Powers and Levinson withdrew their motion.

Toni Roberts, Division of Vehicles, explained to the committee what currently is allowed regarding release of these records and who pays for these records. Upon request from the committee the Division will provide information as to who is eligible to have these records under the Driver Privacy Protection Act.

Representative Powers made a motion to pass SB 410, as amended, seconded by Representative Levinson. A vote was taken and division requested. There were 10 aye votes, 8 nays. The motion carried.

The minutes for the House Transportation Committee for March 19th, March 20th and March 21st were presented for approval or corrections. Representative Dreher made a motion to approve the minutes, seconded by Representative Levinson and the motion carried.

Chairman Hayzlett adjourned the meeting at 2:55 p.m.