



OEM Recycled • Aftermarket by Keystone

LKQ Testimony Opposing House Bill 2312 as Written

Mr. Chairman & Members of the Committee:

My name is Jorge Conforme and I represent LKQ Corporation.

LKQ is the nation's largest and leading provider of aftermarket, refurbished and recycled OEM parts. LKQ employs 10,500 people nationwide within a network of approximately 320 facilities in more than 43 states.

It has 168 employees at 5 locations in Kansas found in the following cities: one (1) in Lawrence, one (1) in Liberal, one (1) in Manhattan, one (1) in Topeka, and one (1) in Wichita, and pays taxes on a payroll of over \$4.6 million dollars.

I ask that you **VOTE NO ON HB 2312 as written.** As written, HB 2312 creates an undue burden upon law-abiding auto recyclers by mandating them to obtain an additional license and to double report information already required by state and federal law. LKQ Corporation applauds the Legislature's efforts to create fair and appropriate licensing and reporting requirement for the scrap metal processing industry and would support HB 2313 if the bill were amended to exclude "vehicle recyclers" and "salvage vehicle dealers" (hereinafter "automobile recyclers"), which are already licensed and regulated under Kansas law.

HB 2312 places undue requirements on our industry, will negatively impact jobs, and drive up costs of parts for Kansas consumers and should be opposed as written for the following reasons:

- Current Kansas KSA Section 8-2401 and related code already requires automobile recyclers to obtain a license from the Kansas Department of Motor Vehicles and requires automobile recycler facilities to maintain complete records on vehicles entering their facilities
- Creates an undue financial and operational burden on automobile recyclers by requiring them to obtain an additional license from either a county or local government under separate and possibly differing license and reporting requirements
- Daily reporting to local law enforcement of information already required by Kansas law to be maintained on-site at each facility would create an undue administrative hardship on recyclers. The bill as allows any county, city or town to establish their own ordinance which could be inconsistent with state law – this should remain a statewide provision
- Forces recyclers to double reporting information on the purchase of salvage vehicles – this reporting is already mandated by the U.S. Department of Justice
- Creates an unnecessary added cost of doing business which will lead to increased costs for consumers

I hope you recognize the many detriments this bill poses to the automotive recycling and alternative parts industry in Kansas. On behalf of LKQ Corporation, I ask you to **vote "NO" on HB 2312 as written and support an amendment to remove licensed recyclers from the bill.**

Thank you for your time, consideration, and opportunity to testify.

Senate Judiciary
3-14-11
Attachment 14