

Approved: March 16, 2012

(Date)

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairperson Dwayne Umbarger at 8:32 a.m. on Tuesday, March 6, 2012, in Room 152-S of the Capitol.

All members were present except:

Vicki Schmidt - excused

Anthony Hensley - excused

Committee staff present:

Daniel Yoza, Office of the Revisor of Statutes

Scott Wells, Office of the Revisor of Statutes

Jill Shelley, Kansas Legislative Research Department

Laura Jurgensen, Kansas Legislative Research Department

Jane Wentz, Committee Assistant

Conferees appearing before the Committee:

Tom Whitaker, Kansas Motor Carriers Association, proponent

Deann Williams, Bureau Chief, Motor Carrier Services, Kansas Department of Revenue, proponent

Others in attendance:

See attached list.

Approval of the minutes

The Chairperson called the meeting to order and asked for a motion to approve the minutes. Senator Reitz made a motion to approve the minutes from February 14 and 15, 2012, as written. Senator Marshall seconded the motion and the motion carried on a voice vote.

Hearing and possible final action on:

HB 2557—Commercial vehicles' requiring annual registration in lieu of tax payment

At the request of the Chairperson, Scott Wells, Office of Revisor of Statutes, provided the Committee with an overview of **HB 2557**. Mr. Wells also stated Jill Shelley, Kansas

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CONTINUATION SHEET

Minutes of the SENATE TRANSPORTATION Committee at 8:32 a.m. on Tuesday, March 6, 2012, in Room 152-S of the Capitol.

Legislative Research Department, had prepared a document detailing the major provisions and changes of **HB 2557** for the Committee's use (Attachment 1). The Chairperson then recognized Tom Whitaker, Kansas Motor Carriers Association, who provided additional background information on **HB 2557** (Attachment 2). Mr. Whitaker stated an annual commercial vehicle fee in lieu of property tax payment would eliminate the avoidance or evasion of paying taxes to Kansas and eliminates the cumbersome, out-of-date reporting process. He further stated this bill has been twenty years in the making and the interested parties have worked together for a doable solution for all concerned to ensure that operators of commercial vehicles pay their fair share. Mr. Whitaker stated this bill does not change the current process of taxation on farm, personal, railroad, or public utility vehicles.

The Chairperson asked if anyone had questions for Mr. Whitaker and hearing none, recognized Deann Williams, Bureau Chief, Motor Carrier Services, Kansas Department of Revenue. Ms. Williams stated the Department agrees this bill will close the gap in tax avoidance and also make the reporting process simpler for all parties (Attachment 3). She further stated all commercial vehicles registered in Kansas will pay the commercial vehicle fee based on the registered gross weight. Ms. Williams also noted registration and commercial vehicle fees are transferrable. Additionally, commercial vehicle fleets may pay their combined registration fees on a quarterly basis. Ms. Williams stated intrastate commercial vehicles will be issued a "commercial" tag, while commercial vehicles that travel interstate highways will be issued an "apportioned" tag. Confusion and compliance issues should become minimal with the passage of **HB 2557**, as this bill would eliminate the issues that typically occur during the registration process. Ms. Williams further stated this streamlined process would reduce the administrative burden for both the motor carrier and the State of Kansas. The Chairperson asked if anyone had questions for either Ms. Williams or Mr. Whitaker. The Committee commended the parties for working together to bring a solution for a process that has been broken for a long time.

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At the request of the Chairperson, Mr. Wells provided the Committee with a copy of a proposed balloon amendment and he also gave a brief explanation of the amendment. The Chairperson asked if anyone else wished to speak regarding **HB 2557** and, hearing no requests, declared the hearing closed. The Chairperson asked what the Committee's desire would be regarding working **HB 2557**. *Senator Reitz made a motion to accept the amendment as written. Senator Marshall seconded the motion and the motion carried on a voice vote. Senator Donovan made a motion to recommend the bill as amended favorably for passage and Senator Reitz seconded the motion.* The Chairperson then asked if anyone had any questions regarding either the amendment or the bill and hearing none, asked for a vote. *The motion carried on a voice vote.*

The meeting was adjourned at 9:00 a.m. The next meeting is scheduled for March 7, 2012.