

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 8:30 a.m. on February 19, 2004 in Room 527-S of the Capitol.

All members were present except:

Senator David Adkins- absent
Senator Greta Goodwin (RMM)- excused

Committee staff present:

Hank Avila, Legislative Research Department
Bruce Kinzie, Revisors of Statutes
Marian F. Holeman, Committee Secretary

Conferees appearing before the committee:

Proponents:

Chris Peterson, Enterprise
Don McNeely, Kansas Automobile Dealers Assn.
Steve Kearney, Kansas Automotive Recyclers

Opponents:

Lee Wright, Farmers Insurance

Others attending:

See Attached List.

SB 500: Certificates of title for nonrepairable or salvage vehicle

Chris Peterson, Enterprise Rent-A-Car and a proponent for this bill, described problems with the current vague definition in Kansas law relating to a nonrepairable or salvage vehicle. She cited case law regarding a class action lawsuit pending in California. The proposed bill would clarify the law regarding when a damaged vehicle should be branded "salvage" and "nonrepairable" ([Attachment 1](#)). Don McNeely, President, Kansas Automobile Dealers Association. His organization supports this bill. However, they feel there are several items that need to be addressed. He provided historic background and addressed the issue of cost to consumers and dealers. He provided a balloon amendment containing recommendations to bring the legislation more into line with recommendations made by a past Federal Task Force ([Attachment 2](#)). Discussed why this bill is necessary. Kansas does not license rebuilders. They are supposed to put vehicles in a condition that is safe for Kansas roads, but there is no way to verify that. Nothing in this bill applies to antique vehicles. Steve Kearney, Kansas Automotive Recyclers Association also spoke in support of the bill. For more than a decade they have been trying to address "what is a nonrepairable vehicle versus a salvage vehicle," and how do you inform consumers that they are buying a car that has been crashed and rebuilt. Another concern is that of car theft and use of Vehicle Identification Numbers (VIN) numbers and titles for nonrepairable cars. He offered several suggestions to strengthen the intent of the bill ([Attachment 3](#)).

Carmen Alldritt, KDOR, Director, Motor Vehicles Division and Matt Moser, Chief, Titles and Registration Bureau were present to answer questions. Ms. Alldritt stated that titling can be a problem for her Division, especially if the title is not clearly marked. They have experienced difficulties with titles where a vehicle that is clearly a salvage vehicle gets turned into a vehicle with a regular title. Lt. John Eichkorn stated the Highway Patrol does VIN inspections. They have no problems with this bill. John Pinegar, Carfax was also present to answer question. They do not have any problems with the bill.

Bill Sneed, State Farm Insurance Company planned to testify. Unfortunately he had an emergency and wished to submit his testimony as written ([Attachment 4](#)). Lee Wright, Farmers Insurance, explained they have not had the opportunity to look at the proposed amendments. They have a problem with some of the issues involved. This bill looks like a work in progress and they are ready to help the other proponents to craft a bill that would adequately take care of the needs of the legislature, yet would not harm their policy holders ([Attachment 5](#)).

CONTINUATION SHEET

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE at 8:30 a.m. on February 19, 2004 in Room 527-S of the Capitol.

Discussed the need for this bill. On February 24, 2004 the Committee will continue hearings on **SB 500**.

Meeting adjourned at 9:28 a.m.

The next meeting is scheduled for February 24, 2004.