

MINUTES OF THE HOUSE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Gary Hayzlett at 1:30 P.M. on February 20, 2008 in Room 519-S of the Capitol.

All members were present except:

Representative Mike Burgess- excused
Representative Terrie Huntington- excused
Representative Gene Rardin- excused

Committee staff present:

Hank Avila, Kansas Legislative Research
Bruce Kinzie, Revisor of Statutes Office
Mike Corrigan, Revisor of Statutes Office
Betty Boaz, Committee Assistant

Conferees appearing before the committee:

Dan Murray for John Federico, representing National Vehicle Protection Association
Victor L. Smith, Executive Director and General Council, Nat'l. Vehicle Protection Ass'n
Don McNeely, President, KS Automobile Dealers Association.
Terry Heidner, KDOT Legislative Liaison
Bob Totten, KS Contractors Association
Captain Mark A. Bruce, Kansas Highway Patrol

Others attending:

See attached list.

The Chairman opened the meeting. He opened the hearings on **HB 2725**.

HB 2725 - The vehicle protection product act

The Chairman recognized Dan Murray who stepped in for John Federico who had to be absent due to an emergency. Mr. Murray introduced Victor L. Smith, Executive Director and General Council of the National Vehicle Protection Association. Mr. Murray and Mr. Smith explained **HB 2725**. (Attachment #1) They said **HB 2725** would create the Vehicle Protection Product Act which concerns products installed on vehicles which are designed to prevent loss or damage and the warranties associated with such products. This bill would exempt these warranties from the requirements of the laws concerning the regulation of insurance and service contracts. The bill would establish a specific set of conditions under which vehicle protection products may be sold and warranted. The products covered by the proposed legislation are anti-theft products with warranties. The products deter the theft of vehicles and assist in the recovery if stolen.

There was discussion on **Substitute HB 2725** which staff explained answers the question that the products being sold are not insurance. The Automobile Dealers Association was concerned that there was too much detail for such a little issue and that the one issue that needed to be answered was that this product is not insurance. He said what the substitute does is define two key definitions from the bill - "the vehicle protection product" and "the vehicle protection product warranty" which are the same as in the bill. The key part is subsection (b) "stating "Vehicle protection products are not required to comply with and are not subject to any provisions of chapter 40 of the Kansas Statutes Annotated..." They are not subject to Insurance which answers the key question without going into detail.

The Chairman recognized Don McNeely, President of the KS Automobile Dealers Association. (Attachment #2) According to Mr. McNeely, discussions with the Vehicle Protection Association have been going on for some time. When the Insurance Department was approached about this bill they did not see it as an issue in Kansas with these products. The Insurance Department's position was that there are enough laws in Kansas not being enforced so Mr. McNeely asked if the responsible agency does not want the bill, who would enforce it or oversee it?

There were no other proponents and no opponents. Chairman Hayzlett closed the hearing on **HB 2725**.

The Chairman opened hearings on **HB 2756**.

CONTINUATION SHEET

MINUTES OF THE House Transportation Committee at 1:30 P.M. on February 20, 2008 in Room 519-S of the Capitol.

HB 2756 - Traffic regulation, fines in road construction zones

The Chairman recognized Terry Heidner, Legislative Liaison for KDOT. Mr. Heidner explained the bill and the reasons for the bill. (Attachment #3) According to Mr. Heidner under current law a double-fine is imposed on motorists convicted of moving violations within a road construction zone. This bill would add an additional \$250.00 to this double fine. Mr. Heidner explained that after the deaths of two highway workers, KDOT and the Kansas Highway Patrol coordinated a committee to provide recommendations for changes that would result in a higher degree of work zone safety. One of the recommendations from the committee was to increase the fine for a person convicted of a moving violation committed within any road construction zone.

The next proponent was Bob Totten, Public Affairs Director for the Kansas Contractors Association. (Attachment #4) Mr. Totten said his association represents over 400 companies who are involved in the construction of highways and water treatment facilities in Kansas and the Midwest. He said he wanted to voice support of **HB 2756** because their highway construction workers are sometimes placed in harms way and they want to do anything possible to make their jobs safer. He suggested requiring KDOT to indicate on signs how much the ticket is going to cost drivers speeding through construction zones.

Chairman Hayzlett drew the Committee's attention to the written testimony submitted by Captain Mark Bruce with the Kansas Highway Patrol. (Attachment #5)

There being no other proponents and no opponents, the Chairman closed the hearings on **HB 2756**.

It was the Chairman's desire to work **HB 2770** - An act giving secretary of revenue rule and regulation authority to set fees for photos, not to exceed \$20. The Chairman opened for discussion or motions. After some discussion, Representative King made a motion to amend this bill by removing the rule and regulation authority and to limit the increase to make a total of \$12, seconded by Representative Ballard, motion carried. Representative Sloan made a motion to have this bill become effective January 1, 2009, seconded by Representative King and the motion carried.

Representative Treaster made a motion to favorably pass **HB 2770**, as amended, seconded by Representative McLachlan and the motion carried.

The Chairman opened **HB 2824** for discussion and motions. Representative Sloan made a motion to favorably pass **HB 2824** and put it on the Consent Calendar. Representative Wetta seconded the motion and the motion carried.

There being no further business before the Committee, the meeting was adjourned. The next meeting will be February 21, 2008, at 1:30 p.m. in Room 519-S.