

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE.

The meeting was called to order by Chairperson Senator Les Donovan at 8:30 a.m. on February 6, 20-02 in Room 245-N of the Capitol.

All members were present except: Senator Ed Pugh

Committee staff present: Emalene Correll, Legislative Research Department
Bruce Kinzie, Revisor of Statutes
Marian F. Holeman, Committee Secretary

Conferees appearing before the committee: Sheila Walker, Dir. Div. Of Vehicles, KDOR
M. H. Moser, Mgr., Titles & Registration, KDOR
Dennis Wilson, Johnson Co. Treasurer
Martha Smith, Exec.Dir., KMHA
Don McNeely, Pres., KADA

Others attending: See attached list

SB 449: Concerning electronic certificates of title

Chairman Donovan welcomed the visiting county treasurers and asked Ms. Walker to introduce Mr. Moser, Division of Vehicles, Manager, Titles and Registration who testified in support of the bill which proposes an electronic lien and paperless title program or ELT system. Kansas would become a title holding state until all liens or security interests are removed. This will not only change processing methods, but will eliminate notary requirements for transfer of ownership on titles. He enumerated benefits of the system and also pointed out that nationwide, motor vehicle agencies are moving toward electronic processes to enhance customer service and provide more efficient government (Attachment 1). Members discussed problems inherent in current system and recognized this proposal would go far toward alleviating problems. Manufacturer's certificate will be given to customers to obtain licenses. He also explained lending institutions have 10 days to release liens when vehicles are paid off and also a process currently exists to solve disappearing lending institutions. Fiscal note indicates some loss of revenue because of the reduced duplication and reissuance of titles. Expenditure could fluctuate depending on whether updates to the Vehicle Information Processing System/Computer Assisted Mass Appraisal Fund of KDOR is done by in house or contract staff. There would be some savings realized in postage costs and number of titles printed

Dennis Wilson, Johnson County Treasurer and former legislator, testified in support of **SB 449** (Attachment 2). As a County Treasurer he feels they really need this bill to be enacted. Positive benefits far outweigh any perceived negatives. In his opinion, this is one of the most meaningful pieces of legislation to come before the legislature this year. He wished to commend the Division for their progressiveness.

The Kansas Bankers Association provided written testimony in support of **SB 449** (Attachment 3). Martha Smith, Executive Director Kansas Manufactured Housing Association advised they have discussed their industry's issues with Ms. Walker and are very comfortable with the bill and urge it be passed. Don McNeely, President, Kansas Automobile Dealers Association advised they also support the bill, but had a question regarding how branded title information would be handled. He was advised of the various ways this would be handled. Hearing closed on **SB 449**.

Approval of minutes

Senator Jackson moved to approve minutes of the February 5, 2002 meeting. Senator Salmans seconded the motion. Motion carried.

The meeting adjourned at 9:20 a.m.

Next meeting is scheduled for February 7, 2002.