

Approved: February 24, 2010

Date

MINUTES OF THE SENATE ASSESSMENT AND TAXATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 10:30 a.m. on February 11, 2010, in Room 152-S of the Capitol.

All members were present.

Committee staff present:

Gordon Self, Office of the Revisor of Statutes
Scott Wells, Office of the Revisor of Statutes
Chris Courtwright, Kansas Legislative Research Department
Brandon Riffel, Kansas Legislative Research Department
Mary Jane Brueck, Committee Assistant

Conferees appearing before the Committee:

Major Mark Bruce, Kansas Highway Patrol
Carman Alldritt, Director, Division of Vehicles, Department of Revenue
Ed Klumpp, Kansas Association of Chiefs of Police, Kansas Sheriffs Association, and Kansas Peace Officers Association

Others attending:

See attached list.

Chairman recognized Sen. D. Schmidt re **SB 430 - Limitations on certain income tax credits**. This bill is to correct errors made in last year's "haircut" bill. He explained this is to repeal the hard cap and insert the Historic Preservation Credit in the list with others receiving the 10% cap last year. This is what we thought we did last year, and would be effective for 2009 and 2010. After discussion, Sen. D. Schmidt made a motion to accept this bill. Sen. Huntington seconded the motion. Motion carried. Sen. Brownlee proposed a substitute motion which would amend this bill by stating the present cap is at \$2,000,000.00 and with a 10% decrease it would be \$1,800,000.00. Sen. Holland seconded the motion. Motion passed. Sen. Brownlee moved the bill be moved out of committee favorably. Sen. Holland seconded the motion. Motion passed. Chairman Donovan closed the hearing on SB 430.

Chairman Donovan opened the hearing on **SB 518 - VIN inspection fees, increasing**. Col Terry Maple, Superintendent of the Kansas Highway Patrol spoke in favor of the bill and explained the request. (Attachment 1) Carman Alldritt, Director, Division of Vehicles, Department of Revenue told the committee her department also supports this bill. (Attachment 2) Ed Klumpp, representing Kansas Association of Chiefs of Police, Kansas Sheriffs Association, and Kansas Peace Officers Association submitted written testimony in favor of this bill. (Attachment 3) Sen. Brownlee questioned setting a cap on the fee, so the Highway Patrol does not have to keep coming back to the committee when an increase is needed. Gordon Self, First Assistant Revisor of Statutes agreed to draft a \$25.00 cap into the bill. Sen. Brownlee moved the bill be amended.. Sen. Holland seconded the motion and the motion passed. Sen. D. Schmidt submitted a technical amendment on page 2, line 23 of the bill. He moved the amendment be passed; Sen. Brownlee seconded the motion; the motion carried. Seeing no others to speak to this bill, Chairman Donovan closed this hearing. Sen. Brownlee moved the bill be moved out of committee favorably. Sen. D. Schmidt seconded, and the motion carried.



The next meeting is scheduled for February 16, 2010.

The meeting was adjourned at 11:18 a.m.

Anyone wishing to appear before the Committee on any of the above bills should contact the Committee Secretary at 296-2713, and provide 25 copies of written testimony to her by noon on the day preceding the hearing. Any individual with a disability may request accommodation in order to participate in Legislative committee meetings. Requests for accommodation should be made at least two working days in advance of the meeting by contacting Legislative Administrative Services at 785/296-2391 (TTY: 785/296-8430). Four hearing assist headsets are available at this hearing. If you would like to use this service and the seats are taken, please ask the committee staff for assistance.

SENATE
Assessment & Taxation Committee
GUEST LIST

DATE: 2-11-2010

NAME	REPRESENTING
Patricia Gelmer	Kansas Historical Society
Jennie Chisler	Kansas Historical Society
Ray Wilk	KPOR - DoV
Rick Kready	Pioneer Group
ERIK SARTORIUS	City of Overland Park
SHERYL WELLER	KHP
MAJOR MARK BRUCE	KHP
COLONEL TERRY MAPLE	KHP
LT RANDY MYERS ^{MYERS}	KHP
LARRY R BAER	LKM
DICK CARTER	TIAC
Tommy Stangles	Tommy Stangles Public Affairs
Kathy Cook	RCIL / KACIL
E. Kwamp	KACP / KPOA / KSA
Michelle Butler	Cap. Strategies
Heslie Kaufman	Ks Co-ops Council



Mark Parkinson, Governor
Terry L. Maple, Superintendent

www.kansashighwaypatrol.org

**Testimony on Senate Bill 518
Senate Committee on Assessment and Taxation**

**Presented by
Major Mark Bruce
Kansas Highway Patrol**

February 11, 2010

Good morning Mr. Chairman and members of the committee. I am Major Mark Bruce and I appreciate the opportunity to appear before you today on behalf of the Kansas Highway Patrol (KHP) regarding Senate Bill 518. This bill would change current law in two ways. First, it would increase VIN inspection fees from \$10 to \$20. Second, it would allow new vehicle dealers to retain a portion of the fees for inspections they conduct as program designees.

The Kansas Vehicle Identification Number (VIN) Inspection Program is authorized pursuant to K.S.A. 8-116a and was established in 1984. The purpose of the program is simple and straightforward; it exists to prevent stolen vehicles or assembled vehicles with stolen components from being titled in Kansas. This program is the envy of many states because it provides the KHP and our designees an opportunity to conduct physical inspections of vehicles prior to a title being issued by the Kansas Department of Revenue. The existence of this program prevents Kansas from becoming a dumping ground for stolen vehicles and their parts.

Since the inception of the program, over twenty-five years ago, the fee for a required inspection has remained fixed at \$10. Clearly, the direct and indirect costs associated with conducting these inspections have increased since that time. Also since the program was created, the KHP has subsidized the cost of the nine, trooper positions dedicated to it from our operating funds. Shifting the funding for these positions to the VIN Inspection Fee Fund is the impetus behind this legislation.

I hope you will agree that this entire program should be funded from fees associated with it and not subsidized from our state general fund budget. Unfortunately, the current \$10 fee will not cover the costs for this to occur.

Again, I appreciate your time today and trust that you will favorably consider the merits of this bill and the benefits they provide to our law enforcement partners, our friends in the automotive industry, the KHP and most importantly, Kansans.

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Memorandum

To: Chairman Les Donovan
Members of the Senate Tax Committee

From: Carmen Alldritt,
Director, Division of Vehicles

Date: February 11, 2010

RE: Senate Bill 518

The Department supports the KHP, SB 518 and the MVE-1 Inspection Program. The program provides consumer protection and is instrumental with regards to life safety.

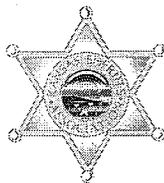
Recovering and Returning Stolen Vehicle. In 1966 a young man purchased a new 1966 Corvette which was stolen a few months afterwards. The car remained in the gentleman's name. Sometime mid 1990's the vehicle was brought into a KHP inspection station in JO Co with a Missouri title. The patrol ran the VIN and found the stolen vehicle report form 1966 and seized the vehicle. They called the original owner in Topeka and told him he could come and pick up his Corvette. The vehicle had been completely restored and according to the owner, "looked better now than the day I bought it brand new."

Protects Buyers from Unknowingly Buying Rebuilt Salvage Vehicles. Labeling vehicles has been a huge benefit to vehicle buyers including individuals and dealers. Today's body shops have the ability to restore a wrecked vehicle to an almost perfect condition making it extremely difficult to detect repairs to the naked eye. Before labeling a rebuilt salvage vehicle could be taken to a dealership and trade it in. The vehicle would have a clean title and the dealer, not knowing it was rebuilt salvage would base the trade on a fair value. Since the rebuilt salvage label program started, the division has heard nothing.

Camper Trailer, RV, Out of state vehicles moving into Kansas.



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Chiefs of Police**
PO Box 780603
Wichita, KS 67278
(316)733-7301



**Kansas Sheriffs
Association**
PO Box 1853
Salina, KS 67402
(785)827-2222



**Kansas Peace Officers
Association**
PO Box 2592
Wichita, KS 67201
(316)722-8433

**Testimony to the Senate Assessment and Taxation Committee
In Support of SB518 VIN Inspection Fee Increase
February 11, 2010**

Chairman Donovan and Committee Members,

The Kansas Association of Chiefs of Police, the Kansas Sheriff's Association, and the Kansas Peace Officers Association support SB518. The VIN Inspection Program, operated by the Highway Patrol, is an important program. The program assures vehicles registered in Kansas have legitimate Vehicle Identification Numbers assigned and verify the vehicle is not stolen or otherwise illegally misrepresented. This proposal will provide much needed funding for this program and will also assist the agencies who participate as a "designee" in the VIN inspection program.

Several law enforcement agencies currently participate as KHP designee inspectors. Our members support this fee increase to assist in covering the cost of the inspections.

We encourage you to recommend this bill favorably to pass.

Ed Klumpp
Kansas Association of Chiefs of Police, Legislative Committee Chair
Kansas Sheriffs Association, Legislative Liaison
Kansas Peace Officers Association, Legislative Liaison
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Sn Assmnt & Tax
2-11-10

Attachment # 3