

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 8:30 A.M. on March 8, 2006 in Room 527-S of the Capitol.

All members were present except:
Anthony Hensley- excused

Committee staff present:
Hank Avila, Kansas Legislative Research Department
Bruce Kinzie, Revisors of Statutes
Maggie Breen, Committee Secretary

Conferees appearing before the committee:
Representative Bonnie Huy
Don McNeeley, Kansas Automobile Dealers Association
Carmen Alldritt, Director of Motor Vehicles
Deann Williams, Bureau Chief, Motor Carrier Service Bureau
Mary Jane Stankiewicz, Kansas Grain and Feed

Others attending:
See attached list.

Chairman Donovan opened the hearing on **HB 2645 - Vehicle title service agents, licensing.**

Representative Bonnie Huy said **HB 2645** is a consumer protection measure that would close some existing loopholes relative to fraudulent title documentation on stolen vehicles. She shared what she learned as a victim of vehicular theft. Her truck was stolen and the title transferred three times without her knowing it. She included copies of forged documents processed on her vehicle with her testimony. In our state it's incredibly easy for a thief to steal a vehicle, obtain a duplicate title, transfer title by forging the owner's signature and get away with it because of the current loopholes and the lack of any checks and balances. An application for a duplicate Certificate of Title and title transfer can be processed simply by forging the owner's name because a notarized signature is no longer required nor is proof of ownership. Also, the state is not currently linked to the National Crime Information Center (NCIC) and property crimes are the lowest priority for law enforcement. In Wichita there is a title company that operates almost completely "under the radar screen" and the word on the street is you can pretty much get anything you want done there. The Vehicle Title Service Licensing Act would require vehicle title service agents, that process third party title work, to pay a license fee of \$75 and maintain a bond of \$25,000. The Director of Motor Vehicles would have authority to suspend or revoke licenses and impose civil penalties for violation of the act. The bill is not intended to be burdensome to legitimate title businesses. This bill, along with the news that Kansas will soon start using NCIS, will make it much harder for would be thieves. The bill was amended in the House Transportation Committee to exempt Kansas Automobile Dealers Association and the Kansas Motor Carriers Association, both of which process title work. There have been no complaints regard those two groups. She asked for favorable support of the bill. It passed the House 118 to 7. (Attachment 1)

Don McNeeley, Kansas Automobile Dealers Association, said that one of the many services to their members is operating a title service on their behalf. The dealers send them title work, they run it through the Division of Motor Vehicles for processing and mail it back to their dealer members. They are very pleased to support the bill. (Attachment 2)

Carmen Alldritt, Director of Motor Vehicles, said there are approximately 25 title service agents or businesses in Kansas. The title services are used by some dealers and often by individuals. All the vehicle work is taken for processing to the County Treasurer's offices and it is stamped "hand carry." The agents bring that work to the front counter at the Docking Building for same day printing of titles. The Division is in agreement with the amended version of the bill. She said it had been very interesting and informative working with Representative Huy as she traced and retrieved her vehicle. A few years ago the state attempted to get into NCIC for this very problem but it was cost prohibitive. But when they made the call this time they found they can get hooked up with just the cost of a little programming time. They're thankful that Representative Huy took up the cause. (Attachment 3)

CONTINUATION SHEET

MINUTES OF THE Senate Transportation Committee at 8:30 A.M. on March 8, 2006 in Room 527-S of the Capitol.

Chairman Donovan closed the hearing on **HB 2645** and opened the hearing on:

HB 2878 - Motor fuel trip permits, issuance of.

Deann Williams, Bureau Chief, Motor Carrier Service Bureau, Division of Vehicles, said she just started working there last Thursday and is very pleased to be there. She appeared in support of **HB 2878**. Basically, it would allow a motor carrier to obtain a 72- hour fuel permit that will allow them to go back and forth across the state border. They would not have to buy a trip permit each and every time come into Kansas. Also, if they know they will be coming in for a week or two, then they would be able to purchase three additional permits at a cost of \$25 each. They feel the bill will make it easier for the carriers operating close to the border to bring commodities into Kansas. (Attachment 4)

Chairman Donovan asked if there was an increase in the fee. Deann said yes and no. It is \$13 right now for the one trip permit and it would increase to \$25 for the 72 hour permit.

Mary Jane Stankiewicz, Vice President and General Counsel for Kansas Grain and Feed Association (KGFA), said they discovered that one of their members last year, due to some changes in the law, missed out on approximately one million bushels of grain from Kansas City. They are seeking the ability to buy either a day or a 72-hour permit rather than a one trip permit. Some of their people were actually fined when they were driving through our state, to the point of entry, to buy their trip permits. Their only other option was to get up earlier and do it online. Some can do this but it is not convenient, especially during your busy season. They have one recommended change for consideration. The bill eliminates individual trip permits altogether, in effect raising fees for anyone who wants to make 1 trip into the state. They suggest the 24-hour permit be \$13 and the 72-hour permit be \$25. (Attachment 5)

Bruce Kinzie said he'd visited with Ms. Williams and there is some concern with the language in the bill and the way law enforcement personnel might interpret it. In essence, it would be clearer if we got away from the wording "trip permits" and referred to them as "motor fuel permits." He said the wording "within the state" should also be taken out so there would be no confusion about them crossing the borders in and out of the state.

Chairman Donovan asked Ms. Williams if the Feed and Grain amendment works for them. Ms. Williams said they want to make sure that the \$13 for a 24-hour period will work on the fiscal side. They will get back to him.

Chairman Donovan closed the hearing on HB 2878.

Chairman Donovan said his plans are to take final action on **SB 456 - Open records; disclosure of certain records pertaining to drivers of motor vehicles transporting members of the public**, when the committee meets on February 14.

HB 2645

Senator Wilson made a motion to pass HB 2645 out favorably. Senator Petersen seconded the motion. The motion carried.

Chairman Donovan initiated approval of the committee minutes for February 22, 2006.

Senator Schmidt made a motion to approve the minutes as written. Senator Wilson seconded the motion. The motion carried.

The meeting adjourned at 9:10 a.m.

The next meeting is scheduled for Tuesday, March 14, 2006.