

ROADS AND HIGHWAYS COMMITTEE MEETING -- January 20, 1970

The Roads and Highways Committee met in room 535 at 2:45 P. M. on January 20, 1970. Chairman Dierdorff called the meeting to order and all members were present except Representatives Davis, Lady and Lutz, all excused.

Guests present were: Warren Shaw, Topeka, Kansas Motor Car Dealers; Mary Turkington and Ray Lindberg, Topeka, Kansas Motor Carriers Association; members of the Press.

Conferees were Representatives Lawrence Slocombe and Roy H. Garrett.

Mr. Slocombe said his proposal could be called a beautification bill. He feels that there are many old cars that remain on a person's property when the cars are not being used for anything except to create an eyesore. He feels that if the owner had to pay a fee, perhaps two dollars, that he would remove the car to a junk yard or a salvage lot. Mr. Slocombe said the purpose of the proposed legislation is not primarily to raise money but to improve the looks of the whole country. He hoped that the Roads and Highways Committee would introduce such legislation.

No action was taken on the proposal.

HOUSE BILL 1640 - AN ACT relating to the sale, offer to sell or use of certain recut or regrooved tires; and defining certain crimes in connection therewith.

Mr. Garrett explained the bill and said that several states already have such legislation and this bill was patterned after the California law. Some of Mr. Garrett's constituents had

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requested the legislation as they feel the tires are unsafe after they have been regrooved. This would not apply to truck tires as many of them are designed to be regrooved.

Mr. Hayes suggested that someone from one of the tire companies be invited to appear before the committee to discuss the pros and cons of the proposal.

Chairman Dierdorff asked Mr. Jacobs for the sub-committee report on "A & E" - (a) distribution formulas of motor fuels and special fuels taxes; (e) prices charged to retail dealers in Kansas for motor fuels and special fuels as compared with prices charged in other states. The report is attached. Mr. Hayes made a motion, second by Dr. Hughes, that the report be adopted. Motion carried.

Mr. Wilcox presented his report on "B & F" - (b) shrinkage allowance of motor fuels taxes; (f) reciprocal agreements entered into between the state of Kansas and other states. The report is attached. Mr. Jacobs made a motion, second by Mr. Gray, that the report be adopted. Motion carried.

Mr. Gray presented the report on "C & D" - (c) registration fees of vehicles; (d) comparison of registration fees and taxes of motor carriers to determine if motor carriers are paying their full share. Minutes of the joint meeting with the Senate sub-committee are attached.

Mr. Gray said the sub-committee would like to eliminate Section 4, Chapter 47 in the New Session Laws which pertains to a plastic embossed card system. The Motor Vehicle Depart-

ment estimated the cost would be four hundred thousand dollars and that the department was already burdened this year with the change to the staggered license system. The Transportation and Utilities Committee of the Senate is going to draw up the repealing legislation.

The sub-committee also feels there is some question about the method of taxation on automobiles and there will be further study on that.

Regarding the comparison of registration fees, the sub-committee feels as Mr. Wilcox regarding reciprocity - that they want to wait for the revision of the present law by Mr. Carman.

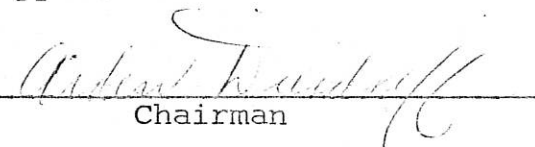
Mr. Wilcox made a motion, second by Mr. Powell, that the report be adopted. Motion carried.

The secretary received \$19.00 for a "flower fund" and was requested to use part of it and send flowers to Mr. Lutz.

The meeting was adjourned.

Fran Stafford, Recording Secretary

Approved:

  
Chairman

January 20, 1970

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STATE OF KANSAS

FRANCIS JACOBS  
REPRESENTATIVE 113TH DISTRICT  
PHILLIPS COUNTY  
575 F. STREET  
P. O. BOX 414  
PHILLIPSBURG, KANSAS 67661



TOPEKA

COMMITTEE ASSIGNMENTS  
MEMBER: ROADS AND HIGHWAYS  
OIL AND GAS  
TRANSPORTATION INCLUDING MOTOR  
CARRIERS, RAILROADS,  
UTILITIES AND AVIATION

HOUSE OF  
REPRESENTATIVES

January 20, 1970

Rep. Arden Dierdorff, Chairman  
Roads and Highways Committee  
House of Representatives  
State Capitol  
Topeka, Kansas

Re: Sub-committee A & E

Dear Arden:

On behalf of the sub-committee appointed to study and make recommendations concerning (a) distribution formulas of motor fuels and special fuels taxes and (e) prices charged to retail dealers in Kansas for motor fuels and special fuels as compared with prices charged in other states, we would like to make the following report:

- (a) The two hearings concerned the present formulas and the sub-committee has nothing new to report.
- (e) We feel that no action is warranted.

Sincerely,

*Francis Jacobs*  
Francis Jacobs, Chairman  
James P. Davis  
John Hayes  
Rees H. Hughes  
Wendell Lady

FJ:fs

STATE OF KANSAS



TOPEKA

HOUSE OF  
REPRESENTATIVES

January 19, 1970

KEITH M. WILCOX  
REPRESENTATIVE 121ST DISTRICT  
SEWARD COUNTY  
602 NORTH PROSPECT  
LIBERAL, KANSAS 67901

COMMITTEE ASSIGNMENTS  
CHAIRMAN: TRANSPORTATION AND UTILITIES  
MEMBER: ROADS AND HIGHWAYS  
OIL AND GAS  
JUDICIARY

Honorable Arden Dierdorff  
Chairman, Roads and Highways Committee  
Statehouse  
Topeka, Kansas

Dear Representative Dierdorff:

Sub-committee "B & F" Roads and Highways Committee met, as you will recall, in Topeka on June, 16, 1969, and on August 22, 1969, to hear testimony on the items referred to it for consideration during the interim. The Sub-committee met again on January 19, 1970, to make final recommendations which are as follows:

B. Shrinkage allowance of motor fuels taxes --By a majority vote of all members present and voting, your sub-committee recommends that no further action to amend the shrinkage or handling allowance be made during the 1970 session.

F. Reciprocal agreements entered into between the state of Kansas and other states --Because of the complexity of the reciprocity problems, it is felt that the sub-committee cannot proceed further without benefit of Secretary Fred Carman's revision of the present law, and his recommendations, which have not as yet been furnished. It will therefore be our recommendation that this matter be held in abeyance until the proposals of Mr. Carman and his staff are represented.

It has been a pleasure to work on this sub-committee. We trust that we have been of some small benefit to the Roads and Highways Committee.

Very truly yours,

A handwritten signature in cursive script that reads "Keith M. Wilcox".

KEITH M. WILCOX  
State Representative  
121st District

Joint meeting of Senate Transportation and Utilities sub-committee  
on Registration Fees with House Roads and Highways sub-committee  
C & D October 16, 1969, Room 535, State House, in Topeka, with  
Senator Dave Owen presiding.

Senators present: George Bell  
Dave Owen  
Ernest Strahan  
John Vermillion  
J. Harm Voss  
R. J. Williams  
W. E. Woodard, Jr.  
Ted Saar.

Absent: A. F. Casado  
Vincent Moore  
Bob Storey

Representatives present: Oren Gray  
Morris Kay  
Alva Lee Powell  
Payne Ratner, Jr.  
Fred W. Rosenau  
Don Spotts

Absent: A. Dierdorff  
R. V. Talkington

Mr. Herbert Ulrich, Superintendent, Motor Vehicle Department, appeared  
at 10 a.m. with a request for considering legislation to repeal  
Section 4, Chapter 47 in the New Session Laws which pertains to a  
plastic embossed registration card for renewals and new registrations.  
The plastic embossed card system was incorporated into House Bill 1289  
as a new registration renewal system by the Motor Vehicle Depart-  
ment. The plastic embossed card would be the same as all receive  
from the oil companies. This card system would be an entirely new  
program; it is not used by any other state. Senator Strahan inquired  
whether we are moving too fast. Mr. Ulrich feels we are -- that  
there will be many problems with implementing the staggered regis-  
tration system and quite probably we do not need the plastic embossed  
cards at this time. Senator Owen remarked that this seems a poor  
time to be spending an additional \$400,000, when it is not abso-  
lutely necessary. Senator Strahan asked Mr. Ulrich if his  
department handled reexamination, and Mr. Ulrich answered that they  
do handle this. Senator Strahan feels the Motor Vehicle Depart-  
ment should have the authority to call in any age group at the



time of their license renewal for reexamination. He also intends to introduce legislation regarding vehicle inspection.

Senator Owen asked for the group's pleasure on the problem of plastic embossed cards. Representative Morris Kay made a motion that the Senate Transportation and Utilities Committee introduce a bill eliminating Section 4, Chapter 47 of the 1969 Session Laws. Senator Strahan seconded. All votes were aye.

1:30 p.m. Gary Rohrer of the Attorney General's Office -- Review of court case -- Chapter 431 (Session Laws 1969) Continuous Assessment of Automobiles. Mr. Rohrer first mentioned that their office had 50 or 60 inquiries regarding this. Many felt that it could not be mechanically implemented. One county clerk had said it would cost on the average of \$10 a transaction, and in the larger counties it would be a lot of money. The Attorney General decided to go to the Supreme Court to have the case tested. The Supreme Court has notified the Attorney General that the law will be constitutional. Two questions that bothered the Attorney General were: (1) In effect this law says that we can do certain things with automobiles that we do not have to do with anything else; and (2) The date -- The Attorney General has lots of trouble with effective dates and termination dates. It was hoped that the Court would say something about the Uniform and Equal clause. Article 11, Section 1 of the Constitution is the one with which all property taxes must comply. Mr. Rohrer mentioned that for taxing, the owner of a car on January 1st is responsible for the tax for the car for the year; a trade transfers the ownership, but if you sell it outright, you are still responsible. Senator Owen asked if the Attorney General expects any other action on this and Mr. Rohrer said their office does not intend to pursue it any further. Dr. Drury was present and added that the Legislative Council Revision Committee

does have a proposal to see what can be worked out in this area -- regarding the taxation of automobiles. They meet next Tuesday, October 21. Mr. Rohrer said if any committee members would like to have copies of the opinion when it comes to the Attorney General, their office would be glad to furnish them. Dr. Drury will send them out.

2:00 p.m. Recent development in Interstate Motor Vehicle Reciprocity -- Fred Carman -- Revisor of Statutes' Office. Mr. Carman's remarks began stating the basic statutes were passed in 1955 or 1956. Since then there have been many interstate relationships because of the vast number of trucks on the highways. There are multiple registrations, multiple tags (as many as 10 front and back) and identification on the doors and all over the cab of the truck. When looking at the problem of multiple registration, the two big questions are: who is the owner of the truck and what is its residence? Delaware has about 60% of the registrations. At first everyone was in favor of reciprocity. Later the Western states entered into the exact opposite of reciprocity -- by proportion. This is carried out by an interstate compact. The Kansas predicament: we have 26 reciprocity agreements. We have now cancelled the Delaware and Indiana reciprocity agreements -- both cancellations are effective December 31, 1969. We expect Delaware to turn us down regarding a new agreement. When we cancel an agreement like this and can't make a new agreement, the Reciprocity Commission ought to make a consent agreement. The present permit is \$10 to come into this state (no matter how far the vehicle travels into the state). The Reciprocity Commission is comprised of the following:



Chairman of Senate Committee -- Sen. Strahan  
Chairman of House Committee -- Rep. Dierdorff  
Assistant Revisor of Statutes  
Director of Revenue  
Chairman of the Corporation Commission  
Lt. Governor

Mr. Carman feels this is an unusual make-up of a committee. He wishes the Assistant Revisor were allowed to appoint a member to act for him. He is working on a new uniform vehicle trucking code, but it is probably 5 years down the road. Senator Owen asked how long it will take us to get out of these reciprocity agreements? Mr. Carman said we could cancel immediately but we don't feel it advisable to attempt too fast a change because of the chaos that would erupt. We need statutory-specified classifications for all kinds of vehicles. Representative Kay asked if a mileage clause could be put in? Mr. Carman felt it not advisable.

These are the three kinds of agreements Kansas has now:

- (1) Proportional registration - with 16 states and  
British Columbia
- (2) Bi-lateral agreements with the Southeastern States  
(Mr. Carman feels we do not get our fair share from these  
agreements.)
- (3) Some by interpretation

Mr. Carman stated that he is working on a bill to simplify and clarify the statutes on registration. Mr. Carman hopes that the massive bill he is working on can at least be introduced this session (1970). He is trying to avoid policy changes so this new bill will not be controversial. He has had no play-back yet from industry, because he has not had an opportunity to meet with them.

Senator Owen announced the meeting adjourned.



### PLASTIC EMBOSSED REGISTRATION CARD SYSTEM SURVEY

House Bill 1289 enacted in 1969 contained New Section 4 pertaining to the issuance of a plastic embossed card for the purpose of registering passenger vehicles. To comply with this statute, the Motor Vehicle Department shall, following 1971 registration period, issue a plastic embossed card to every owner of a passenger vehicle for the purpose of registration. This plastic card would be submitted to the county treasurer's office for renewal registration. The county treasurer would then imprint from this card, using an inscribing machine, and issue a license tag to the vehicle owner. A copy of the imprinted form would then be sent to the Motor Vehicle Department for updating the files to the current tag number. The following report is a preliminary survey of the costs of implementing and operating the plastic card registration system.

The implementation of this registration system will entail considerable capital outlay for the original issuance of cards and the equipment necessary to manufacture new issue cards. Shown is a one-time implementing cost and comparison costs of plastic card yearly operation to the present renewal card system.

Plastic Embossed Registration Card System Costs by the Year  
and Implementing Based on 1,350,000 Passenger Car Registrations  
and the 550,000 New and Re-registrations.

Yearly Operational Costs	Plastic Embossed Cards	Present Renewal Card
Inhouse Card Production 550,000 @ .03	\$ 16,200.00	
Forms, Envelopes and Inserts 1,350,000 Forms @ .035 550,000 Envelopes and Inserts @ .015	47,250.00 8,250.00	\$17,500.00
Postage 550,000 @ .06	32,400.00	81,000.00
Maintenance Agreements - 5 Machines	11,250.00	852.00
Additional Personnel	19,200.00	
Card to Tape Conversion	<u>1,800.00</u>	
	\$136,350.00	\$99,352.00

Implementing One-Time Cost

Contract Card Production 1,350,000 @ .12	\$162,000.00
Postage 1,350,000 @ .06	81,000.00
Card to Tape Conversion	1,800.00
Embosser Costs 5 @ \$26,300.00	131,500.00
Construction Costs	1,500.00
Freight	<u>1,250.00</u>
	\$379,050.00

In conducting the cost survey, it was necessary to research those procedural changes for implementing and operating the plastic card system. The following problems were encountered, which could cause considerable inconvenience to the people of Kansas in registering and licensing their vehicles, with the possibility of a great deal more expense than indicated in the cost survey:

- (1) Being a program that has not been made operable by any other state would entail considerable research, trial and error methods with resultant delays, inconvenience to the people, and unforeseeable costs.
- (2) The completed registration forms received into the department from the county treasurer must be so properly and accurately imprinted as to be optically scannable for filing into our data processing storage files. This is imperative, as a high rejection rate and manually key-punching each registration would mean additional personnel in proportion to the magnitude of the problem. Petroleum marketing companies who use plastic cards have experienced as high as a 30 per cent rejection rate. Our rejection rate would be dependent upon the accuracy and conformity at the source level of the county treasurers.
- (3) It is necessary to record each year's license number on the plastic card for updating the data processing files and referral procedures. It has not been determined how we can accomplish this permanently on the card. If the previous year's tag number becomes illegible, the card

is useless for imprinting until the number can be established from the Motor Vehicle Department data processing files.

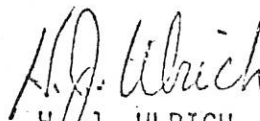
- (4) The plastic card must be carried in the vehicle at all times; and assuming that this will be in the glove compartment, the resultant deterioration by heat and other objects damaging the card would be conducive to poor imprinting and rejection by the scanner.
- (5) The limited number of characters that can be embossed upon the card restricts the information available from the card to the minimal amount necessary for registration.
- (6) The unauthorized use of lost or stolen cards would present an ever increasing problem. The only available control would be a continually updated list of such cards being made available to the county treasurers. This would eventually grow into such proportions that the compiling of the list by the Motor Vehicle Department and the quantity of names to check by the county treasurers would be very costly and time-consuming. The elimination of a card from the stolen or lost list would be another procedure of checking within the Motor Vehicle Department that would continue to grow as there would be no point in years elapsed where a wholesale purging could be done. The only possible solution would be a complete new issuance at a given time, establishing all previously issued cards null and void. This would be a very costly procedure.

- (7) The inscriber machines to be used by the county treasurers must be of a standard type as no supplier will manufacture special machines, at a reasonable cost, for such a small quantity. This requires conformity to present standard types and severely curtails flexibility in devising methods to overcome problems.
- (8) The system would seriously impair registration by mail because the vehicle owner would not have the fee readily available on the card. To put this information on the card would be impractical, as any change in the fee structure would result in a complete new issue of cards to all vehicle owners at considerable cost. Present renewal cards do have the fee shown on them, and many owners order their tags by mail.
- (9) In the minimum time lapse of 90 days for manufacturing cards of original issuance, the re-registration of vehicles sold or traded would cause duplication on issuance of cards, which would present problems of control in issuing the correct card. The number involved here would be approximately 100,000.
- (10) Any unforeseeable delay in manufacturing original issuance cards could be very inconvenient. The vehicle owner would be without verification for registration and unable to purchase a tag, resulting in enforcement problems of considerable consequence.



- (11) The implementation of this system with the staggered registration system creates a new purchase period with no renewal card reminder. The vehicle owner would be required to renew the vehicle registration in that month so designated by the staggered system with the use of a plastic card. This is two new procedures of registration for the vehicle owner with no renewal reminder card. In many cases, this could cause delays, inconvenience, and penalty fees to the vehicle owner.
- (12) It would appear that we would be rendering a disservice to the people of Kansas to implement a program that could cause a great deal of inconvenience, would increase the costs of the registration system, relinquish some control of procedures, remove a built-in registration reminder system, and be less adequate than our present registration renewal procedure.

The Motor Vehicle Department is unable to visualize any improvement over the present registration renewal system by using the plastic card. There is no apparent advantage to the plastic card and many disadvantages of economy and operation; therefore, in the opinion of the Superintendent, every effort should be made to repeal New Section 4 of House Bill 1289.



H. J. ULRICH, Superintendent  
Motor Vehicle Department