

Approved February 22, 1983
Date

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES

The meeting was called to order by SENATOR ROBERT V. TALKINGTON at
Chairperson

9:00 a.m. a.m./p.m. on Tuesday, February 22, 1983 in room 254-E of the Capitol.

All members were present except:

All members present.



Committee staff present:

Fred Carman
Hank Avila
Rosalie Black

Conferees appearing before the committee:

SB 176 - Senator Charlie Angell
Paul Fleener, Kansas Farm Bureau, Manhattan
Harvey Fasse, Farmer-Stockman, Effingham
Mary Turkington, Kansas Motor Carriers Association
Steve Montgomery, Dept. of Revenue

SB 230 - Senator Charlie Angell
Steve Montgomery, Dept. of Revenue
Paul Fleener, Kansas Farm Bureau
Harvey Fasse, Effingham

The meeting was called to order by Senator Talkington, Chairman, who introduced Senator Charlie Angell to discuss Senate Bill 176 and Senate Bill 230.

SENATE BILL 176 and SENATE BILL 230

Senator Angell explained that Senate Bill 176 concerns the cost of farm vehicle registration which passed the Senate last year but was not acted on by the House. He pointed out several changes that need to be made in the bill involving registration fees on Page 5. He added that the question always surfaces why a farm truck should be different than a commercial hauler which is charged more than a farmer hauling his own products. Referring to farmers who are caught hauling products other than their own, Senator Angell said that any penalty the Committee exercised against such farmers would be approved of by him.

Senator Angell noted that he was asked to introduce Senate Bill 230 which makes pickup truck registration fees uniform. It would provide for a registration fee of \$23 for all vehicles registered for a gross weight of 12,000 lbs. or less.

Paul Fleener asked the Committee for support of the two bills and introduced Harvey Fasse to give his views of both bills.

Mr. Fasse suggested that the 42,000 lbs. weight break be raised to 48,000 lbs.

CONTINUATION SHEET

MINUTES OF THE SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES,
room 254-E, Statehouse, at 9:00 a.m. a.m./p.m. on February 22, 1983.

SENATE BILL 176 and SENATE BILL 230 (continued)

to be more realistic with what is happening in the farming community. He added that farmers need legislation (SB 176) to provide increased weight limits, with proportionally higher registration fees, for trucks or truck-tractors owned by a farmer and used by the owner to transport agricultural products.

In reference to SB 230, Mr. Fasse supports legislation to provide that pickup trucks in the 12,000 lb. or less category pay a standard registration fee and that pickups owned by farmers continue to receive a farm tag designation. (See Attachment 1).

Mary Turkington recommended that if the Committee intends to make changes in higher farm gross weight registration categories in SB 176, consideration should be made for the amendment adopted in 1981 which is supported by KMCA. She projected a loss of \$596,461 if the registration fee of all pickups, 12,000 lbs. or less, becomes \$23 in SB 230. (See Attachment 2.)

Steve Montgomery mentioned that changes in registration fees on Page 5, Senate Bill 176, made by Senator Angell during his testimony change effect of the bill including the Department of Revenue's fiscal note. The Department will need to compose another fiscal note based on the new changes and figures.

Referring to Senate Bill 230, Mr. Montgomery indicated the Department's fiscal note is close to the Kansas Motor Carriers Association's loss of revenue for the State of \$596,461.

SENATE BILL 169 - ACTION

Senator Kerr moved that Senate Bill 169 be reported favorable for passage; seconded by Senator Johnston and passed.

The meeting adjourned at 9:50 a.m.

Please PRINT Name, Address, the organization you represent, and the Number of the Bill in which you are interested. Thank you.

NAME	ADDRESS	ORGANIZATION	BILL NO.
Stuart Matson	S. O.B.	Dept. of Rev.	176/230
Edward J. Jorgensen	SOB	DOT	None
Nancy Jo Fasse	Effingham, Ks	Kansas Farm Bureau	176/230
HARVEY FASSE	Effingham, Ks	Atchison County Farm Bureau	176/230
Paul E. Fleener	Manhattan	Kansas Farm Bureau	"
Arden Danduff		K M C A	"
Tom Whitaker	Topeka	Ks. Motor Carriers Assn	176/230
Mary Turkinator	Topeka	Kansas Motor Carriers Assn	176/230
Marilyn Heiniken	Topeka	Ks. Good Roads Assn.	176/230
Chas. Atchley	Topeka	Ks Oil Wreckers Assn	

STATEMENT TO THE
SENATE COMMITTEE ON TRANSPORTATION AND UTILITIES

RE: SB 176 and SB 230
Farm Tag Registration and Fees
February 22, 1983
Topeka, Kansas

by
Harvey D. Fasse
Member, Atchison County Farm Bureau

Mr. Chairman and members of the Committee:

I am Harvey Fasse of Effingham, Kansas. I am a farmer and stockman in Atchison and Jefferson Counties in Kansas. I appreciate the opportunity to testify on these two measures, SB 176 and SB 230.

My family and I operate a family corporation as Hammond Seed Farms, Valley Falls, Kansas. We own and operate three single axle straight trucks with grain boxes and one semitractor with grain trailor. Also, we own three pickup trucks.

The reason we own trucks is to move grain from our fields to our bin site, to move grain from bin to bin, and to move grain from the bins to market. We also move livestock from pasture to pasture and from farm to market with our trucks. We also move supplies, such as seed, fertilizer and chemicals from points of purchase to points of use.

A high percentage of farm owned and operated large trucks are used relatively few days of the year and are driven relatively few miles. Example: we have owned the semi-grain trailor and tractor for three years and average about 5,000 to 6,000 miles a year. We use it during harvest to haul grain from our fields to our bin site for only about two months out of the year. Then we use it to move grain to market during winter or in slack working times. One other point I would make is that most of the semitractors and grain trailors

in my community are owned, but are owned and operated by farmers, are older high mileage units that commercial truckers and fleet owners and others have traded in on newer or lower mileage units. Because farmers travel fewer miles and not continuously in roadways we can get by with older equipment. These units still need to pay their fair share of highway, county road and bridge construction, maintenance and repair costs. They do this by fuel tax, property tax and registration fees. The \$500 registration fee in this Senate Bill 176 seems a little high compared to the amount of miles these trucks use the roadways. But, they all need to pay their fair and equitable share. The need for a simple and equitable system to tag farm trucks is addressed in this Bill reasonably well. The farmers of Kansas have needed a farm tag to take care of the ten-wheeler trucks. The 42,000 lbs weight break is probably too low, because to build a safe ten-wheeler unit with bed and hoist the unit will probably weigh between 12,000 lbs and 15,000 lbs empty. When 500 to 600 bushels of grain are added to the unit, the unit will weigh roughly 44 to 48,000 lbs. This weight is compatible with the axle weight now in effect in Kansas, that is 34,000 lbs on tandum axles and 20,000 lbs on single axles. I would suggest that the 42,000 lbs weight break be raised to 48,000 lbs to be more realistic with what's happening in the farming community.

I think Senate Bill 230, dealing with 12,000 lbs or less for pickups is very good. I think all pickups should carry the same registration fee schedule.

I would like to quote the Kansas Farm Bureau Resolution on Motor Vehicle Registration Fees:

We strongly urge enactment of legislation to provide increased weight limits, with proportionally higher registration fees, for trucks or truck-tractors owned by a person engaged in

farming and used by such owner to transport agricultural products or commodities.

We will support legislation to provide that pickup trucks in the "12,000 pounds or less" category pay a standard registration fee, and that pickups owned by bona fide farmers continue to receive a farm tag designation.

Thank you for your time, I appreciate it.

STATEMENT

By The

KANSAS MOTOR CARRIERS ASSOCIATION

In opposition to Senate Bills 176 and 230
relating to the Farm registration fee schedule.

Presented to the Senate Transportation & Utilities
Committee, Senator Robert Talkington, Chairman;
Statehouse, Topeka, Tuesday, February 22, 1983.

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I am Mary Turkington, Executive Director of the Kansas Motor Carriers Association and appear here today representing the 1550 members of the Association and the highway transportation industry.

This statement will address both Senate Bill 176 and Senate Bill 230.

As members of this Committee are well aware, our Association recommended the "Farm" registration schedule when the current truck tax system was adopted by the Kansas Legislature in 1955. It seems we have had to defend the integrity of the farm schedule of fees almost every year since the farm registration category was adopted.

Without going into a great deal of detail concerning the proposed changes in Senate Bill 176, let me suggest that if this Committee does propose to make any changes in the higher farm gross weight registration categories that you again consider the amendment you adopted in 1981 and which KMCA supports.

Atch. 2

That amendment was adopted for Senate Bill 246 in the 1981 session and is attached to this statement.

The language in the proposed amendment is intended to do the following:

1. Retain the present farm fee registration schedule for all farm straight trucks, operating strictly as straight trucks, as presently provided.
2. Combination units -- either a straight truck and pup trailer or a pickup truck and gooseneck trailer -- would not be affected with any fee increase until such combination units exceed 54,000 pounds.
3. There is justification in the present law for an applicant for a limited registration (LOCAL or 6,000-MILE) to secure a license at a reduced fee for the heavier gross weights.
4. This amendment simply would add those higher gross weights beginning at 54,001 pounds to the Farm fee schedule for the same reduced fees now required by those motor vehicle owners who qualify for either the "LOCAL" or "6,000-MILE" registrations.
5. The amendment would add an identification requirement so that the "Farm" registration could not be abused.
6. The amendment also would add the same provision which applies to the other limited registration which requires that operations in excess of the "Farm" registration eligibility requirements would subject the owner of such vehicle to the fee imposed for all other owners of motor truck vehicles.

7. These gross weight fees would apply equally to all combination units with a gross weight of more than 54,000 pounds including straight trucks and pup trailer combinations, pickup truck and gooseneck trailer combinations and truck tractor and semi-trailer combination vehicles.

We would remind the Committee that this amendment represents a major concession on the part of the motor carrier industry with respect to the farm tag issue.

We are not advocating any change in the present farm tag schedule at this time because we firmly believe that such changes should be made only after adequate research and analysis of county treasurer registration records to determine:

1. The gross weights for which farmers are registering vehicles that are operated in combination with a gooseneck trailer.
2. The number of straight trucks which actually are being registered for "Over 24,000 lbs. gross weight" and are being operated strictly as straight trucks.
3. The number of straight trucks which are registered for "Over 24,000 lbs." and operated in combination with a pup trailer -- and for what gross weights.
4. The number of tractor and semi-trailer combination units which are currently registered as "Farm" trucks and for what gross weight.

Presently it is not possible to determine from the "Farm" registration data the number of such combination vehicles now operating in Kansas. We have reproduced for you, based on 1980 figures, the "Farm" registration data by gross weight categories. By far the largest number of vehicles registered are the pickup trucks with the other categories itemized accordingly.

<u>Tag Fee Bracket</u>	<u>Weight Brackets</u>	<u>Number of Registrations</u>	<u>Estimated Tag Fees Paid</u>
\$ 15.00	0 - 12,000 lbs.	154,005	\$ 2,124,191
21.00	12,001 - 16,000	17,542	338,740
26.00	16,001 - 20,000	20,822	497,810
42.00	20,001 - 24,000	21,999	849,611
62.00	Over - 24,000	<u>12,523</u>	<u>713,950</u>
	TOTAL	226,891	\$ 4,524,302

This brings us to the comments we would submit on the provisions of Senate Bill 230 which apparently would provide for a registration fee of \$23 for all vehicles registered for a gross weight of 12,000 lbs. or less.

Unfortunately, according to our calculations, this proposal would cost the state of Kansas substantial registration fee dollars at a time when increased highway funding is necessary.

Again, using our 1980 registration data, the last year for which we presently have confirmed numbers available, we project the following:

Calendar Year 1980: Current Kansas Law

<u>Truck Class</u>	<u>Number of Registrations</u>	<u>Fee</u>	<u>Total Revenue</u>
0 - 12,000 lbs. Reg.	345,910	\$27.50	\$ 9,512,525.00
0 - 12,000 lbs. Local	821	25.00	20,525.00
0 - 12,000 lbs. Farm	154,005	15.00	2,310,075.00
0 - 12,000 lbs. 6,000 mile	<u>77</u>	25.00	<u>1,925.00</u>
TOTALS	500,813		\$11,845,050.00

Calendar Year if Senate Bill No. 230 were enacted:

0 - 12,000 lbs. Reg.	500,813	\$23.00	<u>\$11,518,699.00</u>
RESULT OF ENACTMENT OF S.B. 230			(\$326,351.00) (2.8%)

Our calculations indicate, on the basis of 1980 figures, a loss of \$326,351.00.

Projections based on 1982 figures supplied KMCA this month by the Department of Revenue but which we have not yet fully analyzed, indicate the following:

Calendar Year 1982: Current Law

<u>Truck Class</u>	<u>Number of Registrations</u>	<u>Fee</u>	<u>Total Revenue</u>
0 - 12,000 lbs. Reg.	425,878	\$27.50	\$11,711,645.00
0 - 12,000 lbs. Local	25	25.00	625.00
0 - 12,000 lbs. Farm	165,005	15.00	2,475,075.00
0 - 12,000 lbs. 6,000 mile	<u>-0-</u>	25.00	<u>-0-</u>
TOTALS	590,908		\$14,187,345.00

Calendar Year 1982 if Senate Bill No. 230 were enacted:

0 - 12,000 lbs. Reg.	590,908	\$23.00	<u>\$13,590,884.00</u>
RESULT OF ENACTMENT OF S.B. 230			(\$596,461.00) (4.2%)

Obviously, based on additional registrations for vehicles of 12,000 lbs. or less, the loss of registration fee dollars is even greater. We compute this projected loss to be \$596,461.00 as indicated on the chart above.

A mathematical computation of a uniform fee of \$25 for vehicles registered for 12,000 lbs. or less results in these totals.

Calendar Year 1982: Current Law

<u>Truck Class</u>	<u>Number of Registrations</u>	<u>Fee</u>	<u>Total Revenue</u>
0 - 12,000 lbs. Reg.	425,878	\$25.00	\$10,646,950.00
0 - 12,000 lbs. Local	25	25.00	625.00
0 - 12,000 lbs. Farm	165,005	25.00	4,125,125.00
0 - 12,000 lbs. 6,000 mile	-0-	25.00	-0-
TOTALS	590,908		\$14,772,700.00

Calendar Year 1982 if Senate Bill No. 230 were enacted:

0 - 12,000 lbs. Reg.	590,908	\$25.00	<u>\$14,772,700.00</u>
RESULT OF ENACTMENT OF S.B. 230			+\$585,355.00 +4.13%

The problem in making this adjustment in the registration fees for such vehicles -- or in adopting the \$23 fee proposed in S.B. 230 -- rests in the farm schedule.

An examination of the "Farm" schedule quickly tells you that adjustments surely would have to be made in the fees for those vehicles registered for:

12,001 - 16,000 lbs.	presently \$21
16,001 - 20,000 lbs.	presently \$26
20,001 - 24,000 lbs.	presently \$42
Over 24,000 lbs.	presently \$62

Our industry respectfully suggests at this time that no changes be adopted until some factual analysis can be made of how farm vehicles actually are being registered in Kansas and equitable and workable solutions can be proposed to resolve any such problems accordingly.

I will be pleased to respond to any questions you may have.

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Proposed amendment to Senate Bill 176

On page 5

In line 207 by striking "or truck tractor"

In line 208 by striking "or truck tractor"

In line 211 by striking "or truck tractor"; and

In line 212 by striking "or truck tractor."

In line 225 by striking "and not more than 42,000"

In line 226 by striking "lbs."

In line 228 by striking "For a gross weight of more than

42,000 lbs.....500.00"

By striking all of lines 230 and 231 and

By striking in line 232, "of vehicles having a gross weight in

excess of 42,000 lbs."

By striking in line 233 "or truck tractor"

In line 240, after resides. insert the following:

"A truck tractor owned and used for any use or purpose authorized for a farm truck shall be classified as a farm truck tractor and may be operated in combination with another vehicle. The annual license fee for a farm truck or farm truck tractor used to transport a gross weight of more than 54,000 pounds shall be as follows:

"For a gross weight of more than 54,000 lbs. and not more than
60,000 lbs.....\$ 360.00
For a gross weight of more than 60,000 lbs. and not more than
66,000 lbs..... 440.00
For a gross weight of more than 66,000 lbs. and not more than
74,000 lbs..... 575.00
For a gross weight of more than 74,000 lbs. and not more than
80,000 lbs..... 675.00
For a gross weight of more than 80,000 lbs. and not more than
85,500 lbs..... 775.00

"The applicant for registration of any farm truck or farm truck tractor used to transport a gross weight of more than 54,000 pounds shall durably letter on the side of the motor vehicle the words "farm vehicle--not for hire." Further, if the applicant for registration of any farm truck or farm truck tractor shall operate such vehicle for any use or purpose not authorized for a farm truck or farm truck tractor, such applicant shall pay an additional fee equal to the fee required for the registration of all trucks or truck tractors not registered as local, 6,000-mile or farm truck or farm truck tractor motor vehicles, less the amount of the fee paid at time of registration. Nothing in this or the preceding paragraph shall authorize a gross weight of a vehicle or combination of vehicles on the national system of interstate and defense highways greater than permitted by laws of the United States congress."

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