Approved: February 18, 2003

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE.

The meeting was called to order by Chairperson Senator Les Donovan at 8:30 a.m. on February 13, 2003 in Room 245-N of the Capitol.

All members were present except: Senator Harrington

Committee staff present:

Bruce Kinzie, Revisor of Statutes

Hank Avila, Legislative Research Department

Marian Holeman, Committee Secretary

Conferees appearing before the committee: Tom Whitaker, Exec. Dir. KMCA Todd Spencer, Exec, VP OOIDA

> Sheila Walker, Director, Division of Motor Vehicles, KDOR Robert Longino, Dir. Alcoholic Beverage Control Division

Phillip Bradley, KS Licensed Beverage Assn.

Others attending: See attached list

SB 130: Apportioned registration of fleet vehicles; definitions, converter gears

Tom Whitaker, Executive Director, Kansas Motor Carriers Association appeared to request the Committee's favorable consideration of **SB 130**. Kansas is the only state to have an exception to the International Registration Plan (IRP). The IRP is an agreement between all states that allows for apportioned registration of interstate motor carriers. This bill will change the definition of "owner" and eliminate the exception to the IRP. New Section 1 also allows for electronic registration of "converter gear" with a \$1 fee paid for each gear (Attachment 1).

Todd Spencer, Executive Vice-President, Owner-Operator Independent Drivers Association (OOIDA) explained this legislation is needed because when Kansas became part of IRP the enabling legislation did not make provisions that would allow an owner-operator to purchase and IRP plate in their own name while leased to a motor carrier. This places all Kansas resident owner-operator truckers at an economic disadvantage (Attachment 2) He urged support of this needed legislation.

Sheila J. Walker, Director of Vehicles provided information on the extent and advantages of the IRP. The Department of Revenue supports this change, not only because they wish to avoid IRP sanctions, but also because the state may benefit from possible increase in number of vehicles registered. She proposed an amendment regarding "converter gear" to allow for electronic registration for an annual \$1 fee. Carriers need to register so law enforcement in other jurisdictions will find them in compliance (Attachment 3). No spoke in opposition to the bill. Since it seems to solve a real problem, plus having a positive fiscal note, the Chair called for final action. Senator Schodorf moved to adopt the amendment. Senator Salmans seconded the motion. Motion carried. Senator Schodorf moved to recommend SB 130, as amended, favorable for passage. Senator Goodwin seconded the motion. Motion carried.

SB 159: Concerning drivers' licenses and identification cards

This bill would implement a vertical format to make drivers' licenses and identification cards issued to persons under the age of 21 more readily recognizable. Sheila J. Walker, Director, Division of Vehicles, KDOR, testified in support of the bill. She explained changes can be made at no additional cost since the effective date coincides with anticipated upgrade to the drivers license system (Attachment 4).

Robert Longino, Director, Alcoholic Beverage Control Division, KDOR encouraged passage of this bill as it will provide another useful tool to all who attempt to verify age (Attachment 5). Phillip Bradley, Executive Director, Kansas Licensed Beverage Association, represents primarily the "on premise people" those who serve drinks in open containers inside their establishments. Also here informally speaking for Amy Campbell who is quite ill this morning. She represents the off premise retailers, primarily package liquor stores. Both groups are always looking for ways to reduce the chance of and/or actual sales to

CONTINUATION SHEET

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE at 8:30 a.m. on February 13, 2003 in Room 245-N of the Capitol.

underage persons. Discussed several ways present cards are illegally used to purchase alcohol. Very happy to support this bill because with the vertical system, a glance can identify an underage ID. Several other states have taken, or are in the process of doing so, this simple step to address the issue (Attachment 6).

Discussion and questions focused on whether or not county treasurers will still be able to issue cards. No new equipment will be need to process these cards. Current local hardware can take the photos which will be electronically forwarded to central processing. Even with the additional mailing cost, this method is still more cost effective. Applicants will receive a temporary card until permanent one is mailed Senator Gooch moved to recommend SB 159 favorable for passage. Senator Salmans seconded the motion. Motion carried unanimously.

Approval of minutes

Senator Gooch moved to approve minutes of the two February 4, 2003 meetings; one at 8:30 a.m. in Room 245-N; the second at 4:20 p.m. at the Rail and the next regularly scheduled meeting on February 11, 2003. Senator Salmans seconded the motion. Motion carried.

The meeting adjourned at 9:30 a.m.

The next meeting will be Tuesday, February 18, 2003

SENATE TRANSPORTATION COMMITTEE GUEST LIST

DATE: February 13, 2003

NAME	REPRESENTING
Samuel Castro	Puerte de Fe
Todd Spence 12	COFDA
Tom Whiteker	KS MOTOR CALLICKS ASSN
Philip BRADLEY	Ks Licensed Beverage Assa
Beive Woodard	Ks farm Bureau
KAY WoodAnd	85 FAMM BUNEAU
Theila Walker	KDOR-DMV
al Leistne	KDOR - DMU
Drane albert	f1 **
Carol Deavey	Kl Larm Bureau
Cribi Lang	KS Farm Burace
Im Lange	/ t
Muhar Wear	1 /
Rudy Simpson	. 11
Dagga Simpson	70
Munda Foster	///
Mura Simpson	<i>i</i> \
Scott Crawford	KDOR ABC
Dean Reynoldson Bob Longin	ABC
Bob Longin	FDON ABL
U	



KANSAS MOTOR CARRIERS ASSOCIATION

P.O. Box 1673 ■ Topeka, Kansas 66601-1673 ■ 2900 S. Topeka Blvd. ■ Topeka, Kansas 66611-2121 Telephone: (785) 267-1641 ■ FAX: (785) 266-6551 ■ www.kmca.org

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GUY CORRY Foley Equipment Company Allied Industries Chairman

WILLIAM H. GRAVES Member Emeritus

TOM WHITAKER Executive Director Legislative Testimony

Before the

SENATE TRANSPORTATION COMMITTEE Senator Les Donovan, Chairman Thursday, February 13, 2003

MR. CHAIRMAN AND MEMBERS OF THE SENATE TRANSPORTATION COMMITTEE:

I am Tom Whitaker, executive director of the Kansas Motor Carriers Association. We appear before you today to ask for your support for Senate Bill No. 130.

Currently, Kansas has an exception to the International Registration Plan (IRP) as it relates to vehicle registration for owner/operators. The IRP is an agreement between all states that allows for apportioned registration of interstate motor carriers and such registration is done in the carrier's base state.

Kansas law requires that an owner/operator who leases to a motor carrier company for a period of 30 days or more must have the vehicle registered in the carrier's name. All other states allow the owner/operator to register in their own name or allow for the option to register the vehicle in the name of the owner/operator or motor carrier. The IRP governing board is currently considering sanctions against Kansas if the state does not eliminate this exception. Because of possible looming sanctions, the KMCA Board of Directors approved a policy to seek changes to the IRP registration requirements to allow optional registration depending on the negotiated agreement between the motor carrier and the owner/operator.

The bill before you changes the definition of "owner" on page 2, lines 8 -10, "in the event the commercial motor vehicle is subject to a lease with a driver, the lessee *or the lessor* shall be deemed the owner." This change eliminates our exception to the IRP.

In addition, New Section 1 of the bill allows for the registration of "converter gear" if such registration is done electronically, and a fee of \$1 for each converter gear is paid to the State. Kansas will issue the carrier a unique number to be displayed on the converter gear. No license plate will be issued. This change will allow Kansas based carriers the ability to register converter gears in their base state to be in compliance with the laws of Alabama, Pennsylvania, Indiana, Tennessee and Florida.

SENATE TRANSPORTATION
COMMITTEE - DATE <u>02-/3-03</u> —
ATTACHMENT: /

Senate Bill No. 130 – February 13, 2003 – Page2

We wish to publicly thank the Division of Vehicles for their help in drafting this legislation and for their support of SB 130.

The Kansas Motor Carriers Association respectfully requests that the Senate Transportation Committee act favorably on SB 130. We thank you for the opportunity to appear before you today, and would be pleased to respond to any questions you may have.

Before the

SENATE TRANSPORTATION COMMITTEE

Comments on Senate Bill No. 130

Statement of the

Owner-Operator Independent Drivers Association

By:

Todd Spencer February 13, 2002

Todd Spencer
Executive Vice President
Owner-Operator Independent
Drivers Association, Inc.
1 NW OOIDA Dr.
Grain Valley, MO 64029
Telephone: (816) 229-5791

Telefax: (816) 427-4468

www.ooida.com

2-1

SENATE TRANSPORTATION

- COMMITTEE -DATE: 2-/3-03 -ATTACHMENT: 2

Good afternoon, Mr. Chairman, members of the Committee. Thank you for the opportunity to share the concerns of owner-operator truckers on Senate Bill 130 and to urge your support of this needed legislation.

The Owner-Operator Independent Drivers Association is the national trade association for small business owner-operator truckers. We currently have over 90,000 members. Approximately 1600 of those members reside in the State of Kansas and thousands more travel through the state every day.

Prior to creation and implementation of the International Registration Plan for licensing trucks in interstate commerce each truck owner was required to license individually with each state that he chose to operate in or through. Although some states had reciprocal agreements with other states that helped a little, it wasn't all that uncommon to see trucks with a half dozen different license plates hanging from the truck's front bumper. That truck still might not have been licensed for much more than half of the United States. Not only was this system administratively burdensome and unnecessarily expensive it was a barrier to small business truckers entering the industry. The International Registration Plan greatly simplified the system for both truck owners and states while assuring that each vehicle was properly registered for the states it would operate in and that each state received its rightful share of vehicle registration fees.

The reason this legislation is needed is because when Kansas became a part of the International Registration Plan lawmakers did not incorporate the provisions that would allow an owner-operator to purchase an IRP plate in their own name while leased to a motor carrier. By not adopting the IRP provision for registering owner-operator vehicles lawmakers unknowingly placed all Kansas resident owner-operator truckers at an economic disadvantage.

Roughly 75% of owner-operator truckers lease their trucks to authorized carriers on a contractual basis. These relationships vary in length from a few months to many years depending upon a great many factors. Current Kansas law requires that in each of these lease arrangements the vehicle registration must be in the name of an authorized carrier and can't be in the name of the vehicle owner-operator even though the owner-operator is the only name on the vehicle title and the owner-operator will pay the full cost of the vehicle registration. Because of this provision in Kansas law,

many owner-operator truckers who would prefer to license their vehicle in Kansas are forced to base-register in another jurisdiction. Senate Bill 130 would fix this.

While I cannot speculate with certainty, I would bet that by allowing owner-operator truckers to base-register more freely the state treasury will benefit by additional and higher registration fees -- something that I know is important to all in Kansas including its truckers.

Thank you for this opportunity to share our concerns.

Respectfully,

Todd Spencer Executive Vice President



K

JOAN WAGNON, ACTING SECRETARY

DEPARTMENT OF REVENUE DIVISION OF VEHICLES

KATHLEEN SEBELIUS, GOVERNOR

TO:

Sheila J. Walker, Director of Vehicles Julius February 13, 2002

FROM:

DATE:

SUBJECT:

Senate Bill 130 - Owner-Operator & Converter Gear

Mr. Chairman, members of the committee, I am Sheila Walker, Director of the Kansas Department of Revenue's Division of Vehicles. Thank you for allowing me to testify in support of Senate Bill 130. This bill amends the definition of "owner" of apportioned vehicles and provides for the registration of "converter gear" in Kansas.

Apportioned vehicles in Kansas are registered under the International Registration Plan (IRP). The IRP is a registration reciprocity agreement among 59 jurisdictions in the United States and Canada that provides for payment of license fees on the basis of miles operated in each jurisdiction. Motor carriers register their fleet with a one-step registration. Under the IRP, motor carriers can operate on an inter-jurisdictional basis in any IRP member jurisdiction displayed on the cab card, provided they have obtained proper operating authority.

Kansas has been a member of the International Registration Plan for 22 years.

The IRP governing board is considering sanctions against Kansas because we have an exception pertaining to owner-operators. Current Kansas law (8-1,100) requires that an owner-operator, who leases a vehicle to a motor carrier for 30-days or more, register the vehicle in the motor carrier's name. All other states allow the option of registering the vehicle in the name of the motor carrier or the owner-operator. By changing the definition in Senate Bill 130 (Page 2, Lines 1-10), the vehicle could be registered in the carrier's name or the owner's name.

The Kansas Department of Revenue's Division of Vehicles supports this change. Not only do we want to avoid IRP sanctions, the state may also benefit financially if the number of vehicles registered in Kansas increases.

Converter gear is newly defined as an auxiliary axle assembly having a fifth wheel used for the purpose of converting a semi-trailer to a full trailer (Page 3, Lines 8-11, Section (p)). The New Section in this bill (Page 1, Lines 13-18) allows converter gear to be registered with our Motor Carrier Services Bureau, provided the registration is submitted electronically. We respectfully recommend that the \$1 registration fee be clearly stated as an annual fee (see attached balloon).

Senate Bill 130 – Owner-Operator & Converter Gear Page 2 February 13, 2003

With this amendment, converter gear registration may generate an additional \$20,000 a year according to industry estimates.

Several large Kansas-based carriers have a desire to register converter gear in Kansas so law enforcement in other jurisdictions will find them in compliance.

In closing, the Kansas Department of Revenue's Division of Vehicles would appreciate your favorable consideration of Senate Bill 130, as amended.

SENATE BILL No. 130

By Committee on Transportation

2-4

AN ACT relating to apportioned registration of fleet vehicles; amending 10 K.S.A. 8-1,100 and repealing the existing section. 11 12 Be it enacted by the Legislature of the State of Kansas: New Section 1. A converter gear may be registered under the pro-13 14 visions of K.S.A. 8-1,100 through 8-1,123, and amendments thereto, provided that the data required for registration is submitted electronically. 15 The division shall assign a unique number to each converter gear and 16 such number shall be durably marked on the converter gear as prescribed 17 by the division. A fee of \$1 shall be paid for each registration. 18 Sec. 2. K.S.A. 8-1,100 is hereby amended to read as follows: 8-1,100. 19 An annual As used in this act, the following words and phrases shall have the mean-20 ings respectively ascribed to them herein: (a) The words "vehicle," "motor 21 vehicle," "truck," "truck tractor," "trailer," "semitrailer," "pole trailer," 2223 "specially constructed vehicle" and "passenger vehicle" shall have the meanings respectively ascribed to them by K.S.A. 8-126, and amendments 24 25 "division" means the division of vehicles of the department of 26 (b) 27 revenue; 28 "director" means the director of vehicles of the division of vehicles 29 within the department of revenue; "commercial vehicle" means any motor vehicle, other than a pas-31

(d) "commercial vehicle" means any motor vehicle, other than a passenger vehicle, and any trailer, semitrailer or pole trailer drawn by such motor vehicle, which vehicle is designed, used and maintained for the transportation of persons or property for hire, compensation, profit, or in the furtherance of a commercial enterprise;

(e) "fleet" means one or more commercial vehicles, at least one of

which is a motor vehicle;

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(f) "jurisdiction" means the states and territories of the United States, the District of Columbia, the provinces of Canada, the states and territories of the Federal District of Mexico, and the states, provinces and territories of any foreign country;

(g) "person" means an individual, firm, partnership, association, corporation, estate or trust;

(h) "owner" means:



JOAN WAGNON, ACTING SECRETARY

DEPARTMENT OF REVENUE DIVISION OF VEHICLES

KATHLEEN SEBELIUS, GOVERNOR

TO:

Members of the Senate Transportation Committee
Sheila J. Walker, Director of Vehicles

FROM:

DATE:

February 13, 2003

SUBJECT:

Senate Bill 159 – Vertical Drivers' Licenses & ID Cards

Mr. Chairman, members of the committee, I am Sheila Walker, Director of the Kansas Department of Revenue's Division of Vehicles. Thank you for allowing me to testify on Senate Bill 159.

This bill requires the Division to issue vertical drivers' licenses and identification cards to those applicants under the age of 21, making the licenses and ID cards more readily distinguishable to bar owners and retailers in the liquor industry.

Since the bill's implementation date (July 1, 2004) coincides with the implementation date of the anticipated upgrade to our driver's license system, the changes can be made at no additional cost to the Division of Vehicles.

In closing, the Kansas Department of Revenue's Division of Vehicles has the capacity to implement the changes proposed in Senate Bill 159, and we support the measure.

4-1

SENATE TRANSPORTAITON COMMITTEE -DATE: 2-13-03 ATTACHMENT: 4



JOAN WAGNON, ACTING SECRETARY

DEPARTMENT OF REVENUE ALCOHOLIC BEVERAGE CONTROL

KATHLEEN SEBELIUS, GOVERNOR

To:

Senator Les Donovan, Chairman, Senate Transportation Committee

From: Robert Longino, Director, Alcoholic Beverage Control Division

Date: February 13, 2003

Subj: Support of Senate Bill 159

Mister Chairman and Distinguished Committee Members, it is my pleasure to visit with you for a few minutes this morning in support of SB 159.

As many of you may know, the Division of ABC is very active in addressing the problem of illegal purchasing of tobacco and alcoholic beverage products by underage persons. Restricting access to these products is a challenging task that involves licensees, their employees, local law enforcement and the community working together to reduce and prevent point of sale purchases. The vast majority of the state's tobacco and liquor licensees are making diligent efforts to restrict access to these products at their retail locations. However, data from our controlled buy program shows approximately 20% of those we check sell to underage persons. Many times the sale is the result of the clerk simply not verifying the age once the ID is presented. The proposal in SB 159 will assist in this verification process.

The most common forms of identification used at point of sale locations in Kansas to verify the age of purchasers are driver's licenses and identification cards issued by the Division of Motor Vehicles. Several changes were made to these documents in the mid 1990s that have been helpful. For instance, rather than having to compute dates when verifying age, the addition of red or green bars with information pertaining to the age of the individual has provided another tool for those required to verify ages. The additional feature of a portrait versus the standard landscape orientation will also assist people attempting to verify age and will eliminate the option of altering the birth date on valid DLs and IDs of underage persons.

The vertical format will not completely prevent misuse and abuse of DLs and IDs by underage persons. However, it will provide another useful tool for licensees, their employees and law enforcement as they attempt to verify age. ABC supports this concept and encourages the committee to forward the bill favorably.

Thank you for your time this morning and I'll make myself available for any questions.



Kansas
Licensed
Beverage
Association

President
Tom Intfen

Secretary/Treasurer Tammy Davis

District Vice Presidents
Kelly Driscoll
Monte Shanks
Rob Farha
Glenda Dewey
Scott Van Gorden

Executive Director Philip Bradley

KLBA 745 New Hampshire, Suite 4 P.O. Box 442066 Lawrence, KS 66044

Voice/Fax: 785.331.4282 Email: phil@klba.org www.klba.org





Testimony on SB-159 on February 13, 2003 Senate Transportation Committee Mr. Chairman and Senators of the Committee,

I am Philip Bradley of the Kansas Licensed Beverage Assn ,representing your constituents in the hospitality industry who own and manage bars, clubs, restaurants, hotels and catering services where beverage alcohol is served.

Thank you for the opportunity to speak. I recognize the value of your time and will be brief.

The KLBA strongly supports the use of vertical ID's to assist in the fight against underage drinking.

Many, many times while teaching TAM® Responsible Servers classes, I personally have heard those students who have been cited for serving an underage person admit that they did look at the ID but misread the date or miscalculated the age. Additionally reports from the Law Enforcement community also cite this as a common mistake. News articles and state statistics show that in some areas at least 50% of those cited in "Sting" operations made this mistake of miscalculation. With a vertical system we can assure personnel are able at a glance to identify an underage ID. Many other states have taken this simple step to address this issue. There are at least 13 states, 26% of the nation, that now have, are implementing or are considering this format. (CO, CN, IA, KY, MA, MS, MI, NV, OH, TX, VA, VT, WA) SB-159 would allow Kansas to do the same.

We support SB-159 and urge it's passage.

Thank you,

Philip Bradley
Executive Director
Kansas Licensed Beverage Association

Attached is more information on the KLBA initiative on this issue. We thank Senator Barone for his leadership and interest in preventing underage access to beverage alcohol.

SENATE TRANSPORTATION
COMMITTEE - DATE 2-/3-03
ATTACHMENT:

VERTICAL Driver License & ID Cards

We propose that for all those under 21, there be a vertical license or identification card. There are at least 13 states, 26% of the nation, that now have, are implementing or are considering this format. (CO, CN, IA, KY, MA, MS, MI, NV, OH, TX, VA, VT, WA) This entails the creating and circulating a new template to be photographed by the license examiners at the time of issuance. The card dimensions and make-up remain the same. Continuing the "Not 18 until" line would be an additional deterrent. This date will continue to assist in identifying those Kansas youth trying to purchase tobacco products. The 'Not 21 Until" should remain on the license and ID cards to assist in identifying those Kansans who try to purchase alcohol products prior to their 21st birthday. Those under 21 that have been issued a horizontal license or identification card may not be required to convert to the vertical license. These may be phased out over five years to reduce confusion and cost. This would also prevent expired licenses from those who have recently turned 21 to be circulated as fake ID's (A special problem because of the youthful appearance in these photos). Below are listed 2 of literally over a hundred sites that surfaced on an Internet search. Also below is a page from the VA ABC website.

Mass. DL Site http://www.state.ma.us/rmv/rmvnews/newlic.pdf
PA article http://www.nb.net/~jsimon/LICENSE.HTML

From the VA ABC site http://www.abc.state.va.us/enftools/tools.htm#License

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Check Virginia Driver's Licenses!



TIP--To prevent underage alcohol sales, look for the "UNDER 21 UNTIL" line in red lettering on Virginia Driver's Licenses!

The Virginia Department of Motor Vehicles (DMV) has made Virginia driver's licenses easier for checking an ID to determine if a person is underage.

Driver License photos will be taken face-forward, and the entire license will be printed vertically rather than horizontally so clerks and servers will be able to tell quickly and easily if a customer is under 21.

DMV also added a feature to help determine if someone is old enough to buy tobacco products. In addition to the "Under 21 Until" message that is currently printed in red beneath the photograph, DMV will also add an "Under 18 Until" message for those persons less than 18 years of age.

Check out DMV's Web site at www.dmvnow.com for the latest updates.

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During alcohol underage buyer visits conducted by ABC, nearly 40% of all retailers sold alcohol to ABC's underage buyers. The underage buyers' IDs clearly indicated they were 18 or 19 years old, but of those clerks who sold, more than half asked to see an ID and completed the sale anyway.

Clerks and servers must carefully check identification to verify the customer's age before making a sale.