

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 8:30 a.m. on February 16, 2011, in Room 152-S of the Capitol.

All members were present except:

Senator Bob Marshall-excused
Senator Les Donovan-excused
Senator Anthony Hensley-excused

Committee staff present:

Scott Wells, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
Chris Courtwright, Kansas Legislative Research Department
Jill Shelley, Kansas Legislative Research Department
Toni Beck, Committee Assistant

Conferees appearing before the Committee:

Coleen Jennison, Director of Government Affairs, Cox Communications
Tom Whitaker, Executive Director, Kansas Motor Carriers Association
Joe Erskine, Secretary of Finance and Administration, Kansas Department of Transportation

Others attending:

See attached list.

HB 2033 - Registration of certain fleet motor vehicles

Chairman Umbarger opened the hearing on **HB2033**.

Coleen Jennison, Cox Communications presented the streamlined process for vehicle registration as a proponent. (Attachment 1) Property tax would continue to be paid in the counties for their 560 vehicles with Cox Communications. The bill passed the House 121-0. Coleen commented this is the same procedure as UPS registrations.

Tom Whitaker, Kansas Motor Carriers Association presented testimony as a proponent. (Attachment 2) Tom was the originator of the bill for fleet registration in 2004 with a fleet of 1300 vehicles allowing 25 vehicles to be registered at one time. All fleet registration must be submitted electronically. The bill allows fleets of 250 or more to utilize this cost saving tool.

There being no further conferees, **HB2033** was closed by Chairperson Umbarger.

Senator Schmidt made a motion. Senator Petersen seconded the motion. The motion carried.

SB 119 - Rail service improvement program loans and grants

Chairperson Umbarger opened the hearing on **SB119**.

Proponent Joe Erskine, Secretary of Finance and Administration, KDOT was represented by Lindsey Douglas. (Attachment 3) The bill would allow KDOT to capture transfers from the Special City-County Highway Fund as collateral to protect both the state assets and those of the cities and counties utilizing the program. KDOT uses the same scenario for cities and counties for loans under the Transportation Revolving Fund.

Senator Petersen commented the bill should allow communication with rails, city and county working together for economic development. The loan would not apply if it did not benefit local industry and community. Jill Shelley, KLRD, clarified the government unit 'is in coordination' with local government. Senator Huntington questioned if the new grant loan funds would have rail service transport for elevator connections, which they would. The loan agreement is to streamline collateral instead of gas taxes provided by constitutional law. Senator Reitz asked if passenger service was considered as well. Lindsey commented if KDOT receives funds, the secretary could possibly have passenger service. Senator Huntington questioned in a default situation, who would pay; which would be the highway

CONTINUATION SHEET

The minutes of the Senate Transportation Committee at 8:30 a.m. on February 16, 2011, in Room 152-S of the Capitol.

funds/appropriations. Chris Courtwright, KLRD, presented a briefing that rail improvement programs dealing with highway funds go to city and county funds and allow transfer of assets to utilize the program.

Ed McKeckney, Watco, was a proponent for the bill. Railroad decision are based on 100 year plans for freight rail. Assets are not included because of depreciation schedules and collateral issues. The technical amendment he is in support of is for the 'connection with railroad'. Verbage to be interjected would be a straight forward process for amending the bill, page 2, line D.

Written testimony in support of the bill was provided:

Bob Boaldin, Chairman, Western Kansas Development Organization (Attachment 4)

Ron Seeber, VP of Governmental Affairs, Kansas Grain and Feed Association (Attachment 5)

Senator Kultala suggested to hold over the bill for the Revisor's written statement prior to a motion. Senator Schmidt agreed that public comment would be an issue to process on short time with no written bill before the committee. Daniel Yoza will have **SB119** amendments ready for 2/17/11 Transportation meeting.

Chairperson Umbarger closed the hearing on **SB119**.

The next meeting is scheduled for February 17, 2011.

The meeting was adjourned at 9:25 a.m.

GUEST LIST

DATE: 2-16-2011

[illegible]



931 SW Henderson Rd.
Topeka, KS 66615
785.215.6700 tel 785.215.6127 fax
www.cox.com

HB 2033 Testimony
Senate Transportation Committee
Coleen Jennison, Cox Communications
February 16, 2011

Chairman Umbarger and members of the committee, I am Coleen Jennison, Director of Government Affairs for Cox Communications. Thank you for the opportunity to speak in support of HB 2033.

Cox is the largest cable telecommunications provider in Kansas serving 85 communities and employing more than 1,145 Kansans. We provide 100% of our communities with state-of-the-art, broadband fiber technology and donate more than \$1.67 million through cash and in-kind donations annually to community organizations focused on youth, technology and education.

Quite simply, this bill would allow Cox Communications to streamline our vehicle registration process in the state of Kansas.

Under current law, Cox Communications' vehicles are not included in the definition of those entities considered a "fleet motor vehicle." This means that rather than register at the state level, every year our employees must register each of our approximately 560 vehicles in one of the 17 counties where their use is ascribed.

Roughly half of our fleet is registered in Sedgwick County, home to our regional headquarters. We also register vehicles in Ford, Allen, Barton, Butler, Cowley, Crawford, Finney, Geary, Harvey, McPherson, Montgomery, Pratt, Reno, Riley, Saline, and Shawnee Counties.

Changing the definition of "fleet motor vehicle" allows Cox Communications to simplify an onerous process for both our company and one would imagine the counties that must process our numerous registrations. Registration fees are currently remitted to the state regardless of where they are collected. Allowing us to register the vehicles at the state level creates efficiency for business while getting the dollars to their final destination in a more direct way.

HB 2033 would apply only to commercial fleets of 250 or more vehicles and would require that upon registration, the owner of the fleet motor vehicles (unless exempt) shall provide evidence of the taxes assessed.



In harmony with the Cox Conserves eco-frie
proud to print on Forest Stewardship Coun

Senate
Transp.
Att: 2-16-11
1

Cox Communications pays our property taxes directly to the county. Under this bill that will not change. Property taxes will continue to be paid to each county where the vehicle is attributed.

Cox Communications supports HB 2033 and requests that it be passed.

The bill had no opposition in committee and passed the House on a vote of 121-0.

Thank you for your consideration. I would be happy to stand for questions.

Senate
Transp.
Att: 2-16-11
1-2



Kansas Motor Carriers Association

Trucking Solutions Since 1936

Sherwin Fast
Great Plains Trucking
President

Jason Hammes
Frito Lay Service &
Distribution
Chairman of the Board

Larry Graves
Farmers Oil, Inc.
First Vice President

Jane Westerman
DeClue Transport
Second Vice President

Louis Thompson
Beaver Express Service, LLC
Treasurer

Larry "Doc" Criqui
Kansas Van & Storage
Criqui Corp.
Corporate Secretary

Ken Leicht
Rawhide Trucking, Inc.
ATA State Vice President

Mike Miller
Miller Trucking, LTD
ATA Alternate State VP

Calvin Koehn
Circle K Transport, Inc.
Public Relations Chairman

Tony Gaston
Rawhide Trucking
ProTruck PAC Chairman

Jeff Robertson
JMJ Projects, Inc.
Foundation Chairman

Richard Orton
Roberts Truck Center, LTD
Allied Industries Chairman

Tom Whitaker
Executive Director

LEGISLATIVE TESTIMONY

by the

Kansas Motor Carriers Association

In Support of House Bill No. 2033

Presented to the Senate Transportation Committee
Senator Dwayne Umbarger, Chairman
Wednesday, February 16, 2011

MR. CHAIRMAN AND MEMBERS OF THE SENATE TRANSPORTATION COMMITTEE:

I am Tom Whitaker, executive director of the Kansas Motor Carriers Association. I appear here this afternoon representing our 1,100 member firms and the Kansas trucking industry in support of House Bill No. 2033.

In 2004, the Kansas Legislature approved House Bill No. 2745, which ultimately created the simplified vehicle registration process for fleets containing 250 or more vehicles. This registration process was implemented to allow a large package carrier with 1,500 plus vehicles to register their vehicle all at once and receive permanent registration for such vehicles, thereby eliminating the annual ritual of tracking down each vehicle to place a new sticker on the license plate. Currently, fleet registration is only allowed for those firms that are "state-assessed" for property tax purposes.

House Bill No. 2033 would expand the eligibility for fleet registration allowing all fleets of 250 vehicles or more to utilize this cost saving tool, provided proof of property tax payment is shown. All vehicle registration must be submitted electronically.

KMCA supports Cox Communication's effort to be included in the fleet registration program. Thank you for the opportunity to appear before you today. I would be pleased to respond to any questions you may have.



**TESTIMONY BEFORE
SENATE TRANSPORTATION COMMITTEE**

**REGARDING SENATE BILL 119
RELATING TO COLLATERAL FOR RAIL SERVICE
IMPROVEMENT PROGRAM LOANS**

February 16, 2011

Mr. Chairman and Committee Members:

Good morning Mister Chairman, members of the committee. I am Joe Erskine, Deputy Secretary for Finance and Administration for the Kansas Department of Transportation (KDOT), here today to testify in support of SB 119.

KDOT operates a Rail Service Improvement Loan program, and consistent with the name, provides loans and grants to qualified entities for rail improvements. Last year the department expanded the program to include cities, counties, and industrial parks as qualified entities. Just like any other loan, these entities are required to put forth collateral in order to qualify to receive loan funds. These loans are integral to assist in the thriving agricultural economy of the state.

This proposed legislation would allow KDOT to capture transfers from the Special City-County Highway Fund as collateral to protect both the state assets and those of the cities and counties utilizing the program. Currently, KDOT uses the same scenario proposed in this legislation for cities and counties that apply for loans under the Transportation Revolving Fund.

I want to be clear that these funds would not be automatically used as collateral in any loan given to cities, counties or industrial parks, but only if that is what the loan applicant prefers to use as collateral in the transaction and includes it as such in the loan agreement.

Under the current scenario, cities and counties find it difficult to obtain these loans due to lack of collateral. We, at KDOT, believe that the best way to make this program most accessible to the Kansas cities and counties that need it most is through this legislative measure. We ask that you please support SB 119.

Thank you for the opportunity to appear before the committee today. I will gladly stand for questions at the appropriate time.

Senate
Transp.
Att 2-16-11
3

WESTERN KANSAS DEVELOPEMNT ORGANIZATION

**Testimony in Support of
Senate Bill No. 119
Before the Senate Transportation Committee
February 16, 2011**

Dear Chairman Umbarger and Honorable Members of the Committee:

I am pleased to submit written testimony today in support of Senate Bill No. 119. Western Kansas Development Organization is a consortium of six counties in southwestern Kansas (Grant, Gray, Haskell, Morton, Stanton and Stevens) formed for the purpose of promoting economic development activities for our communities.

An important part of economic development is reliable and efficient transportation network, particularly rail transportation. Maintaining adequate freight rail transportation is vital in rural communities. Rail transportation services provide local businesses and grain producers with lower transportation cost and access to new marketplaces, through the efficiency of freight rail transportation. Reliable rail service benefits the State of Kansas because it reduces vehicle roadway traffic and reduces wear and tear on local highways by reducing the distance driven by local producers as they transport crops to the facilities for access to distant domestic end users as well as markets around the world.

Western Kansas Development Organization successfully worked with the Kansas Department of Transportation on a railroad rehabilitation project in Southwest Kansas. Through this experience we learned there are limited financial resources available to local governments for state projects. The intent of Senate Bill No. 119 is to permit the Secretary to participate, through the rail service improvement fund, in qualified projects that provide a cost benefit to the Department and local communities and to secure repayment for the State in the event of a default.

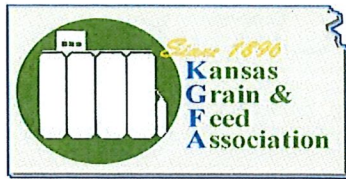
We support this legislation and encourage your favorable action.

Thank you in advance for your consideration.

Sincerely,

Bob Boaldin
Chairman
Western Kansas Development Organization

Senate
Transp.
Att: 2-16-11
4



**Senate Transportation Committee
Written Testimony in Support of SB 119
on behalf of the
Kansas Grain and Feed Association
and
Kansas Cooperative Council
February 16, 2011**

Thank you Chairman, members of the Senate Transportation Committee, I am Ron Seeber, Vice President of Government Affairs of the Kansas Grain and Feed Association (KGFA). The KGFA is a voluntary state association with a membership encompassing the entire spectrum of the grain receiving, storage, processing and shipping industry in the state of Kansas. KGFA's membership includes over 950 Kansas business locations and represents 99% of the commercially licensed grain storage in the state. I am also representing Leslie Kaufman with the Kansas Cooperative Council. The KCC is a voluntary, statewide trade association representing all forms of cooperative businesses across the state -- agricultural, utility, credit, financial, refining and consumer cooperatives.

KGFA and KCC support the passage of SB 119. Last year, KDOT expanded the short line rail program to cities, counties, and industrial parks through the rules and regulations process. In order to receive loan funds, those entities must put forward collateral for the loan. This bill establishes in statute what the new eligible rail loan entities can use as collateral and also allows KDOT to capture transfers from the Special City-County Highway Fund as collateral. KDOT currently allows local entities to do that for the Transportation Revolving Fund.

By expanding ability for the short-line rail program to include shippers, local governments, and industrial parks, we can improve access to elevators allowing more efficient movement of grain.

Thank you for your consideration.