

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 8:30 a.m. on March 2, 2011, in Room 152-S of the Capitol.

All members were present except:

Senator Les Donovan-excused
Senator Anthony Hensley-excused
Senator Mike Petersen-excused
Senator Vicki Schmidt-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:

Major Bruce, Kansas Highway Patrol
Larry Baer, Assistant General Counsel, KS League of Municipalities
Ed Klump, KS Associations of Police Chiefs, Sheriffs and Peace Officers
Don McNeely, President, KS Automobile Dealers Association
Melissa Wangemann, General Counsel of Legislative Services, written testimony only

Others attending:

See attached list.

SB 213 - Registration of lightweight roadable vehicles

Chairperson Umbarger opened the hearing on **SB213**.

Michael McLinn commented that Ducks (amphibious vehicles) are registered as autos to answer a question from the previous meeting.

Roger Hamm presented a tax table from the motor vehicles division to explain possible taxation issues for the current roadable vehicles being discussed in the bill. (Attachment 1) Chris Courtwright commented few aircraft are on the tax rolls as business corporation planes are exempt. The roadable vehicle could be tax exempt per 79-201K, but the bill could be written that roadable vehicles do not apply. Roadable vehicles would be tagged and taxed that 79-201K does not apply to the roadable vehicles. Depreciation would be fair market value but possibly not at the 15% schedule. Chairperson called for a language and action on the bill.

Chairperson Umbarger closed the hearing on **SB213**.

Senator Kultala moved to amend the bill to exclude lightweight roadable vehicles from the aircraft exemption from property tax under KSA 79-201k and to recommend the bill favorably as amended. Senator Huntington seconded the motion. Motion carried.

SB 218 - Kansas Highway Patrol; vehicle inspection fees

Chairperson Umbarger opened the hearing on **SB218**.

Major Bruce testified as a proponent and commented that Department of Motor Vehicles does not run inspections. Stolen vehicles are typically found through an inspection process. (Attachment 2) Larry Baer gave testimony in support of the bill for collection of fees for government services is an accepted way of doing business to help defray the cost of providing the service. (Attachment 3) Ed Klump testified in support of the bill with a user fee to defray costs. (Attachment 4) Don McNeely testified as a proponent for the bill requesting a \$5 fee for dealerships who perform these inspections. (Attachment 5) Melissa Wangemann provided written testimony that the bill is necessary to replace lost state general fund

CONTINUATION SHEET

The minutes of the Senate Transportation Committee at 8:30 a.m. on March 2, 2011, in Room 152-S of the Capitol.

monies that previously funded the positions responsible for the VIN inspection. (Attachment 6)

Major Bruce commented cost expenditure recovery for the Highway Patrol runs \$80,000 per raceway event and \$35,000 per the annual Country Stampede event.

Chairperson Umbarger closed the hearing on **SB218** with comment to continue the bill next week.

The meeting was adjourned at 9:30 a.m. The next meeting is scheduled for March 3, 2011.

SENATE TRANSPORTATION COMMITTEE

GUEST LIST

DATE: March 2, 2011
Wednesday

NAME	REPRESENTING
LARRY R BAKER	LKM
LeeAnn Phelps	KDOR
Jessie Mummert	KDOR
Michael McIn	KDOR
KIM TORREY	KHP
MARK BRUCE	KHP
TED HENRY	CS.
Tara Mays	KDOT
Tom WHITAKER	KMCA
Ed KUHPP	KACP/KPOA/ESA
DON McNEELY	KADA
Randy Myers	KHP
Kelly Nwingskup-Ward	Kerny & Assoc
Bell Sneed	State Farm
Melissa Ward	hein law firm
Whidby Janner	KS Aho Jaker Assn

K.S.A. 79-5100 VEHICLE PROPERTY TAX FOR 2011 REGISTRATION YEAR

Class Code = **106**

Model Year = **2011**

Expir. Mo. (3 let. abrv.) = **MAR**

County (two letter abbreviation) = **SN**

Class Code Value***	Discount Factor **	Full Calendar Year Values*	Assess- ment %	Calendar Year Assessed Value	Mtr Veh Mill Levy	Calendar Yr. Tax Bill	Months in a Yr	Tax \$ Per Month	Reg. Yr. Mos in Cal. Yr.	2011 Registration Year Tax Bill
193,000		2011 Calendar Year		2012 Registration Year		2011 Calendar Year				
	x 1.0000	= 193,000	x 20.0%	= 38,600	x 0.117198	= \$4,524	/ 12	= \$376.99	x 9	= 3,392.88
		2012 Calendar Year		2012 Registration Year		2012 Calendar Year				
	x 0.8500	= 164,050	x 20.0%	= 32,810	x 0.117198	= \$3,845	/ 12	= \$320.44	x 3	= 961.32
										<u>\$4,354.20</u>

A - FEB	E,F,G-MAY	M,N,O - AUG	T,V,W - NOV
B - MAR	H,I - JUN	P,Q,R - SEP	U,X,Y,Z - DEC
C,D - APR	J,K,L - JUL	S - OCT	

1980 & older use \$1/month, \$12/year in taxes. Motorcycles use \$.50/ month, \$6/yr.
1981 & newer will bottom out at \$24 (motorcycles \$12) unless vehicle was in Kansas
& the tax was below \$24 for full 95 reg yr. then vehicle would go to \$12 (motorcycles \$6).

***Class code is determined by taking 85% of the manufactures suggested retail price (MSRP) & classifying vehicle within a price range.

**Discount factor is 15% depreciation per calendar year.

*Formula driven value pursuant to Kansas statutes. Tax is value based, however, it is not "market value".

Valued as personal property				
Market Value	Assessment Rate	Taxable Value	Topeka Levy	Property Tax
194,000	x 30%	= 58,200	x 0.147549	= <u>\$8,587.35</u>

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2011 CALENDAR YEAR 16M & 20M MOTOR VEHICLE A

MODEL YEAR

Class Code	Mid Pt. Value	2012 & 2011	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
086	153,000	153,000	130,050	110,543	93,961	79,867	67,887	57,704	49,048	41,691	35,437	30,122	25,604	21,763	18,499	15,724	13,365
087	155,000	155,000	131,750	111,988	95,189	80,911	68,774	58,458	49,689	42,236	35,901	30,516	25,938	22,047	18,740	15,929	13,540
088	157,000	157,000	133,450	113,433	96,418	81,955	69,662	59,212	50,331	42,781	36,364	30,909	26,273	22,332	18,982	16,135	13,715
089	159,000	159,000	135,150	114,878	97,646	82,999	70,549	59,967	50,972	43,326	36,827	31,303	26,608	22,616	19,224	16,340	13,889
090	161,000	161,000	136,850	116,323	98,874	84,043	71,437	60,721	51,613	43,871	37,290	31,697	26,942	22,901	19,466	16,546	14,064
091	163,000	163,000	138,550	117,768	100,102	85,087	72,324	61,475	52,254	44,416	37,754	32,091	27,277	23,185	19,708	16,751	14,239
092	165,000	165,000	140,250	119,213	101,331	86,131	73,211	62,230	52,895	44,961	38,217	32,484	27,612	23,470	19,949	16,957	14,413
093	167,000	167,000	141,950	120,658	102,559	87,175	74,099	62,984	53,536	45,506	38,680	32,878	27,946	23,754	20,191	17,163	14,588
094	169,000	169,000	143,650	122,103	103,787	88,219	74,986	63,738	54,178	46,051	39,143	33,272	28,281	24,039	20,433	17,368	14,763
095	171,000	171,000	145,350	123,548	105,015	89,263	75,874	64,493	54,819	46,596	39,606	33,666	28,616	24,323	20,675	17,574	14,938
096	173,000	173,000	147,050	124,993	106,244	90,307	76,761	65,247	55,460	47,141	40,070	34,059	28,950	24,608	20,917	17,779	15,112
097	175,000	175,000	148,750	126,438	107,472	91,351	77,648	66,001	56,101	47,686	40,533	34,453	29,285	24,892	21,158	17,985	15,287
098	177,000	177,000	150,450	127,883	108,700	92,395	78,536	66,755	56,742	48,231	40,996	34,847	29,620	25,177	21,400	18,190	15,462
099	179,000	179,000	152,150	129,328	109,928	93,439	79,423	67,510	57,383	48,776	41,459	35,241	29,954	25,461	21,642	18,396	15,636
100	181,000	181,000	153,850	130,773	111,157	94,483	80,311	68,264	58,024	49,321	41,923	35,634	30,289	25,746	21,884	18,601	15,811
101	183,000	183,000	155,550	132,218	112,385	95,527	81,198	69,018	58,666	49,866	42,386	36,028	30,624	26,030	22,126	18,807	15,986
102	185,000	185,000	157,250	133,663	113,613	96,571	82,085	69,773	59,307	50,411	42,849	36,422	30,959	26,315	22,368	19,012	16,161
103	187,000	187,000	158,950	135,108	114,841	97,615	82,973	70,527	59,948	50,956	43,312	36,816	31,293	26,599	22,609	19,218	16,335
104	189,000	189,000	160,650	136,553	116,070	98,659	83,860	71,281	60,589	51,501	43,776	37,209	31,628	26,884	22,851	19,423	16,510
105	191,000	191,000	162,350	137,998	117,298	99,703	84,748	72,036	61,230	52,046	44,239	37,603	31,963	27,168	23,093	19,629	16,685
106	193,000	193,000	164,050	139,443	118,526	100,747	85,635	72,790	61,871	52,591	44,702	37,997	32,297	27,453	23,335	19,835	16,859
107	195,000	195,000	165,750	140,888	119,754	101,791	86,523	73,544	62,513	53,136	45,165	38,391	32,632	27,737	23,577	20,040	17,034
108	197,000	197,000	167,450	142,333	120,983	102,835	87,410	74,298	63,154	53,681	45,629	38,784	32,967	28,022	23,818	20,246	17,209
109	199,000	199,000	169,150	143,778	122,211	103,879	88,297	75,053	63,795	54,226	46,092	39,178	33,301	28,306	24,060	20,451	17,383
110	201,000	201,000	170,850	145,223	123,439	104,923	89,185	75,807	64,436	54,771	46,555	39,572	33,636	28,591	24,302	20,657	17,558
111	203,000	203,000	172,550	146,668	124,667	105,967	90,072	76,561	65,077	55,316	47,018	39,966	33,971	28,875	24,544	20,862	17,733
112	205,000	205,000	174,250	148,113	125,896	107,011	90,960	77,316	65,718	55,861	47,481	40,359	34,305	29,160	24,786	21,068	17,908
113	207,000	207,000	175,950	149,558	127,124	108,055	91,847	78,070	66,359	56,406	47,945	40,753	34,640	29,444	25,027	21,273	18,082
	209,000	209,000	177,650	151,003	128,352	109,099	92,734	78,824	67,001	56,951	48,408	41,147	34,975	29,729	25,269	21,479	18,257
	211,000	211,000	179,350	152,448	129,580	110,143	93,622	79,579	67,642	57,496	48,871	41,540	35,309	30,013	25,511	21,684	18,432

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**Testimony on Senate Bill 218
Senate Transportation Committee**

**Presented by
Major Mark Bruce
Kansas Highway Patrol**

March 2, 2011

Good morning Mr. Chairman and members of the committee. I am Major Mark Bruce and I appreciate the opportunity to appear before you today on behalf of the Kansas Highway Patrol (KHP) regarding Senate Bill 218. This bill would change current law in two ways. First, it would increase VIN inspection fees from \$10 to \$15, effective July 1, 2011 and then to \$20 on July 1, 2012. Second, it would allow new vehicle dealers to retain a portion of the fees for inspections they conduct as program designees.

The Kansas Vehicle Identification Number (VIN) Inspection Program is authorized pursuant to K.S.A. 8-116a and was established in 1984. The purpose of the program is simple and straightforward; it exists to prevent stolen vehicles or assembled vehicles with stolen components from being titled in Kansas. This program is the envy of many states because it provides the KHP and our designees an opportunity to conduct physical inspections of vehicles prior to a title and/or registration being issued by the Kansas Department of Revenue. The existence of this program prevents Kansas from becoming a dumping ground for stolen vehicles and their parts. In doing so, it protects the collective best interests of consumers, lending institutions, car dealers and insurance companies.

Since the inception of the program, over twenty-five years ago, the inspection fee has remained fixed at \$10. Clearly, the direct and indirect costs associated with conducting these inspections have increased since that time. Also since the program was created, the KHP has subsidized the costs of the eight, trooper positions dedicated to it from our state general fund (SGF). Shifting the funding for these positions to the VIN Inspection Fee Fund is the impetus behind this legislation.

As a result of the effect of the nation's economic crisis on Kansas, state agencies have endured significant cuts to their budgets in recent years. The KHP's recommended SGF budget for SFY 2012 was reduced by more than \$1.6 million. The majority of our troopers' salaries and benefits are paid from the SGF and the Patrol's ability to keep troopers on the road is in jeopardy if the fiscal relief afforded by the provisions of HB 2093 does not come to fruition.

The state and its agencies are cash-strapped. The same is true of governmental entities at the county and municipal level. This bill provides some financial benefit to them as well. Due to the volume of vehicles inspected each year, on average, over 200,000, the KHP utilizes county and city law enforcement agencies as designees to perform inspections. The increase in fees proposed by this legislation will have a positive impact on their budgets helping to maintain or enhance law enforcement capabilities at the local level.

I hope you will agree that this entire program should be funded from fees associated with it and not subsidized from a constantly dwindling state general fund budget. Unfortunately, the current \$10 fee will not cover the costs for this to occur.

Again, I appreciate your time today and trust that you will favorably consider the merits of this bill and the benefits they provide to our law enforcement partners, our friends in the automotive industry, the KHP and most importantly, Kansans.

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**DESIGNEE LIST FOR SHERIFF DEPARTMENTS
CONDUCTING MVE-1 INSPECTIONS**

(Total 76)
(Revised 08-05-2010)

Designee & Sheriff's Name	Troop	Phone #	Program #	Fax #
Allen Co SO - Thomas Williams	H	620-365-1400	2001	620-365-1455
Anderson Co SO - Scot Brownrigg	H	785-448-5678	2002	785-448-2686
Atchison Co SO - John M. Calhoon	B	913-367-0216	2003	913-367-8244
Barton Co SO - Gregory Armstrong	F	620-793-1876	2005	620-793-1885
Bourbon Co SO - Ronald Gray	H	620-223-1440	2006	620-223-0055
Brown Co SO - John Merchant	B	785-742-7125	2007	785-742-3058
Chase Co SO - Richard Dorneker	C	620-273-6313	2009	620-273-6442
Chautauqua Co SO - Perry Russell	H	620-725-3108	2010	620-725-3256
Cherokee Co SO - David Groves	H	620-429-3992	2011	620-429-1454
Cheyenne Co SO - Craig Van Allen	D	785-332-8880	2012	785-332-8882
Clark Co SO - John Ketron	E	620-635-2802	2013	620-635-2148
Clay Co SO - Chuck Dunn	C	785-632-5601	2014	785-632-3278
Cloud Co SO - Brian Marks	C	785-243-3636	2015	785-243-8160
Comanche Co SO - Mike McMoran	E	620-582-2511	2017	620-582-2261
Crawford Co SO - Eugene Horton	H	620-724-8274	2019	620-724-8290
Decatur Co SO - Ken Badsy	D	785-475-8100	2020	785-475-8160
Dickinson Co SO - Gareth Hoffman	C	785-263-4081	2021	785-263-1512
Doniphan Co SO - Jerry Dubach	B	785-985-3543	2022	785-985-2573
Edwards Co SO - Bryant Kurth	E	620-659-3636	2024	620-659-3013
Elk Co SO - Doug Hanks	H	620-374-2108	2025	620-374-3503
Ellsworth Co SO - Tracy Ploutz	C	785-472-4416	2027	785-472-5687
Ford Co SO - Dean Bush	E	620-227-4590	2029	620-227-3284
Geary Co SO - James Jensen	C	785-238-2261	2031	785-762-5085
Gove Co SO - Allan Weber	D	785-938-2250	2032	785-938-2251
Graham Co SO - Brandon Presley	D	785-421-2107	2033	785-421-2891
Grant Co SO - Lance Babcock	E	620-356-3500	2034	620-356-1038
Gray Co SO - James Kramer	E	620-855-3916	2035	620-855-3116
Greeley Co SO - Mark Rine	E	620-376-4233	2036	620-376-2418
Greenwood Co SO - Mark Kenneson	H	620-583-7134	2037	620-583-1734
Hamilton Co. SO - Richard Garza	E	620-384-5616	2038	620-384-5904
Harper Co SO - Brad Moore	F	620-842-5135	2039	620-842-3380
Haskell Co SO - Troy Briggs	E	620-675-2280	2041	620-675-2638
Hodgeman Co SO - Ronald Ridley	E	620-357-8391	2042	620-357-8300
Jackson Co SO - Charles Cornell	B	785-364-2251	2043	785-364-4820
Jefferson Co SO - Jeffery Herrig	B	785-863-2765	2044	785-863-2993
Jewell Co SO - David Fullerton	C	785-378-3194	2045	785-378-4085
Kearny Co SO - James Jarboe	E	620-355-6211	2047	620-355-6680
Kiowa Co SO - Kendal Lothman	E	620-723-2182	2049	620-723-3328
Labette Co SO - William Blundell	H	620-795-2565	2050	620-795-4664
Lane Co SO - Don Wilson	E	620-397-2452	2051	620-397-5933
Lincoln Co SO - Russ Black	C	785-524-4479	2053	785-524-4108
Linn Co SO - Barry Walker Sr.	H	913-795-2665	2054	913-795-2380
Logan Co SO - Patrick Parsons	D	785-672-3288	2055	785-672-3517
Marshall Co SO - Daniel Hargrave	C	785-562-3141	2058	785-562-2743
Meade Co SO - Mark Miller	E	620-873-8765	2060	620-873-8778
Mitchell Co SO - Doug Daugherty	C	785-738-3523	2062	785-738-2759

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(Total 76)
(Revised 08-05-2010)

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**DESIGNEE LIST FOR POLICE DEPARTMENTS
CONDUCTING MVE-1 INSPECTIONS**

(Total 55))
(Revised 03-04-2010)

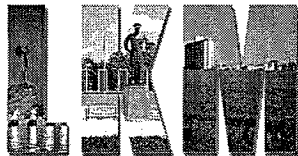
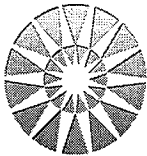
Designee	Troop	Phone Numbers	Program #	Fax Number
Anthony PD	F	620-842-5123	3039	620-842-3863
Attica PD	F	620-254-7291	5039	620-254-7292
Baxter Springs PD	H	620-856-2112	4011	620-856-5483
Belle Plaine PD	F	620-488-2787	4096	620-488-2561
Belleville PD	C	785-527-5655	3079	785-527-2334
Burlington PD	H	620-364-8757	3016	620-364-5635
Caney PD	H	620-879-2141	4063	620-879-9808
Cedar Vale PD	H	620-758-2951	4010	620-758-2903
Cherryvale PD	H	620-336-2400	6063	620-336-2803
Coffeyville PD	H	620-252-6160	3063	620-252-6118
Columbus PD	H	620-429-2159	6011	620-429-1159
Elkhart PD	E	620-697-2151	3065	620-697-2832
Elwood PD	B	913-365-0021	3022	913-365-0025
Erie PD	H	620-244-3611	3067	620-244-3465
Galena PD	H	620-783-5065	3011	620-783-1876
Garnett PD	H	785-448-6823	3002	785-448-5555
Girard PD	H	620-724-6219	3019	620-724-6878
Goodland PD	D	785-899-4570	3091	785-899-4580
Halstead PD	F	316-835-2266	3040	316-835-3759
Harper PD	F	620-896-2853	4039	620-896-2097
Herington PD	C	785-258-2226	3021	785-258-3453
Hiawatha PD	B	785-742-2156	3007	785-742-3604
Highland PD	B	785-442-3212	7022	785-442-3765
Holcomb PD	E	620-277-2761	3028	620-277-2603
Horton PD	B	785-486-2694	4007	785-486-2961
Independence PD	H	620-332-1700	5063	620-332-1703
Iowa Tribal PD	B	785-595-6614	6022	785-595-5995
Kickapoo PD	B	785-486-3665	5007	785-486-3779
Kingman PD	F	620-532-3138	3048	620-532-3216
Kinsley PD	E	620-659-2426	3024	620-659-2727
Kiowa PD	F	620-825-4124	3004	620-825-4123
Liberal PD	E	620-626-0101	3088	620-626-0559
Lyons PD	F	620-257-2355	3080	620-257-2291
Marion PD	C	620-382-2651	3057	620-382-2699
McPherson PD	C	620-245-1200	3059	620-245-1213
Medicine Lodge PD	F	620-930-6573	4004	620-930-6575
Moran PD	H	620-237-4724	3001	620-237-4291
Minneapolis PD	C	785-392-3062	3072	785-392-3093
Norwich PD	F	620-478-2278	4048	620-478-2880
Oakley PD	D	785-672-3219	3055	785-672-4880
Oswego PD	H	620-795-2131	4050	620-795-4305
Parsons PD	H	620-421-7060	3050	620-421-7081
Plainville PD	D	785-434-2222	3082	785-434-2781
Pratt PD	F	620-672-5551	3076	620-672-6055
Rossville PD	B	785-584-6047	3089	785-584-6034

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(Total 55))
(Revised 03-04-2010)

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Senate
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Date: March 2, 2011

To: Senate Transportation Committee

From: Larry R. Baer
Assistant General Counsel

Re: SB 218
Testimony in Support

Thank you for allowing me to appear before you today and present testimony in support of SB 218 on behalf of the League of Kansas Municipalities and its member cities.

SB 218, as written, regards the fees to be charged when an inspection is done by the Kansas Highway Patrol or a designee of KHP on reassembled vehicles or vehicles brought into Kansas from out of state before a title is issued. This inspection program, as we understand it, helps assure the integrity of the vehicle title procedure in the State of Kansas.

To assist with this program, the KHP has designated 76 sheriff's departments and 55 city police departments across the state to perform inspections. A list of the city police departments involved is attached. On average, these designees have performed some 65,000 inspections per year. This relieves the highway patrol from further staffing and personnel requirements.

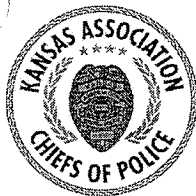
Whether the Patrol or one of its designated law enforcement designees performs the inspection, the current fee is \$10. Current law requires that the designee remit \$1 of the fee and retain the balance. This results in total annual fees retained by the designees of about \$585,000, or, approximately \$4,500 per law enforcement agency on average. SB 218 proposes to increase the minimum fee from \$10 to \$15, effective July 1, 2011, and to not more than \$20 beginning July 1, 2012. SB 218 would also provide that the amount transmitted to KHP would increase from \$1 per inspection to 10% of the collected fee. At \$15 per inspection, it is estimated that the share of the fee going to law enforcement designees would increase to more than \$875,000 and to more than \$1.1 million at \$20 per inspection. Thus, on average, each law enforcement designee would see their annual inspection revenue increase to about \$6,700 and \$8,400, respectively.

The collection of fees for government services is an accepted way of doing business to help defray the cost of providing the service. The local law enforcement agencies that are serving as designees of the KHP are augmenting their budgets from the fees collected. The proposed increase contained in SB 218 more realistically meets the cost of the service. For this reason the League of Kansas Municipalities supports SB 218 and encourages you to pass it out favorably. Thank you.

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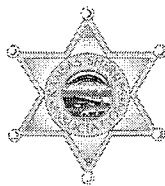
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**Kansas Association of
Chiefs of Police**

PO Box 780603
Wichita, KS 67278
(316)733-7301



**Kansas Sheriffs
Association**

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**Kansas Peace Officers
Association**

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**Testimony to the Senate Transportation Committee
In Support of SB218
VIN Inspection Fees
March 2, 2011**

Chairperson Umbarger and Committee Members,

The Association of Chiefs of Police, the Kansas Sheriffs Association, and the Kansas Peace Officers Association strongly support SB218. The VIN inspection program is the defense against persons bringing stolen vehicles into the state with false or altered VIN plates. The program prevents stolen vehicles from being registered in Kansas. It also provides a method for obtaining a replacement VIN when the original is legitimately lost or destroyed or to obtain a VIN for a homebuilt vehicle, such as trailers.

The provisions of this bill will assure the VIN inspection program can continue to function as a viable crime prevention and detection tool. Most importantly it provides for the adequate funding for the program to help address the shrinking general fund budget for the Highway Patrol currently supporting this program. Secondly, it will provide additional funding for 131 local law enforcement agencies who are also authorized to conduct these inspections. These agencies are primarily in the more rural areas of the state providing better access to many of your constituents.

These fees have not been increased since the VIN inspection program was started in 26 years ago. The current \$10 fee clearly does not cover the costs of these inspections. The additional fees will provide funding to the Highway Patrol to continue this important program. Without these fee increases the funding for the KHP personnel will have to come from their shrinking general fund dollars or face potential downsizing or elimination in the face of pending cuts.

As a matter of comparison, the cost of living calculators indicate \$10 in 1984 dollars is equal to \$20.96 today. This increase is certainly modest in comparison.

We ask for your thoughtful consideration to recommend this bill favorably.

Ed Klumpp
Kansas Association of Chiefs of Police, Legislative Committee Chair
Kansas Sheriffs Association, Legislative Liaison
Kansas Peace Officers Association, Legislative Liaison
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KANSAS AUTOMOBILE DEALERS ASSOCIATION

March 2, 2011

TO: The Honorable Dwayne Umbarger, Chairman
And Members of the Senate Transportation Committee

FROM: Don L. McNeely, President

RE: SB 218 - An Act concerning motor vehicles; relating to vehicle identification number (VIN) inspection fees.

Good morning, Chairman Umbarger and Members of the Committee. I am Don McNeely and I appear before you today to offer our support to SB 218 which would increase VIN inspection fees from \$10.00 to \$15.00 and also allow new vehicle dealers to retain a portion of the fee for inspections they are currently conducting as program designees.

KADA represents the franchised new car and truck dealers in Kansas and our members also include recreational vehicle and motorcycle dealers.

SB 218 is similar to SB 518 which was considered during the 2010 session. KADA expressed its concerns last year on SB 518 and other legislation that would effectively increase the cost of owning a vehicle, but did not oppose the bill. Kansas already places a significant burden on the consumer with the application of sales taxes, vehicle registration fees and property taxes.

That said, we are sympathetic to the Kansas Highway Patrol (KHP) and their need to generate sufficient revenue to cover their costs for this service, and an increase in this fee is appropriate, particularly in light of the fact that this fee has remained unchanged for more than 25 years. Moreover, during that time, the budget of the KHP subsidized this program, which was not fully fee-funded, which is the intent of this legislation.

Several years ago the Legislature gave the new vehicle dealers the right to perform these inspections if the person at the dealership who would perform these inspections was properly trained and certified by the Kansas Highway Patrol and the vehicles inspected were limited to those vehicles repurchased or reacquired by a manufacturer or the manufacturer's refinancing subsidiary or sold through a manufacturer's sponsored auction. Several of our larger members have taken advantage of this opportunity and if the VIN inspection fee is increased, we would expect more to do so. SB 218 would allow the dealer to receive a fee for their service the same as a designee of the Kansas Highway Patrol.

In summary, we believe the Kansas Highway Patrol works diligently to manage its costs for this program and that the \$5 increase in the fee is appropriate as is the remuneration to the new vehicle dealers who are so designated by the Kansas Highway Patrol as able to make these inspections.

I would be pleased to stand for questions at the appropriate time.

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TESTIMONY OF THE KANSAS ASSOCIATION OF COUNTIES
TO THE SENATE TRANSPORTATION COMMITTEE
MARCH 2, 2011

Thank you for the opportunity to submit written testimony in support of SB 218 relating to VIN inspection fees.

The Kansas Vehicle Identification Number Inspection Program was created in 1984. Since that time the inspection fee has been \$10. The Kansas Highway Patrol has historically funded the positions responsible for the VIN inspection, but given the level of cuts to their budget, SB 218 is needed to replace lost state general fund monies that previously funded the positions responsible for the VIN inspection.

Kansas counties support SB 218 because counties assist the Kansas Highway Patrol with VIN inspections. Kansas counties that assist with VIN inspections will benefit from an increased fee as well.

We ask that you support SB 218. Thank you.

Melissa A. Wangemann
General Counsel & Director of Legislative Services

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