

## MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 8:30 a.m. on February 24, 2004 in Room 527-S of the Capitol.

All members were present except:

Senator David Adkins- absent  
Senator Edward Pugh- absent

Committee staff present:

Hank Avila, Legislative Research Department  
Bruce Kinzie, Revisors of Statutes  
Marian F. Holeman, Committee Secretary

Conferees appearing before the committee:

Don McNeely, Kansas Automobile Dealers Assn.  
Bill Sneed, State Farm Insurance  
Steve Kearny, Kansas Automotive Recyclers  
Carmen Alldritt, Director, Division of Motor Vehicles, KDOR  
Matt Moser, Titles & Registration Chief, KDOR  
Senator Anthony Hensley  
Ron Alexander

Others attending:

See Attached List.

### **SB 500: Certificates of title for nonrepairable or salvage vehicles**

The hearing continued on this bill. Staff Revisor, Bruce Kinzie provided a recap of the bill. The main features include requiring disclosure on what is now called “repairable flood and/or rebuilt salvage vehicles.” Application would have to be made to obtain a rebuilt, salvage title. Essentially, it would be the same provisions we now have for the nonrepairables. Further it defines a “flood” vehicle and a “repairable flood vehicle.” Nonrepairable is defined on a percentage of the damage based upon fair market value.

Don McNeely, Kansas Automobile Dealers Association advised that his previous testimony covered all the amendments they presented in the previous hearing. He proposed a balloon to the amendment to include on page 1, line 43, language to exempt cosmetic damage; and on page 2, Sections 4 and 5, language to clarify “cost of repairs” as well as “flood vehicles.” Mr. McNeely also provided a compilation of surrounding states thresholds of damage (Attachment 1). He stated this is a very complicated and contentious area for all the entities involved and it has been before the Legislature several times in the past. Bill Sneed, State Farm Insurance, agreed with Mr. McNeely. In the past when major changes have been made in this area it was done after substantial study and work by all parties. They sat down with the ones who requested the bill and attempted to address their issues. The insurers want to take everything else off the table except the issue raised by requesters of the original bill. He stated the insurers would be happy to join a working group to resolve other issues and report back next year, if the Committee would like to further consider the additional issues. Mr. Sneed proposed to amend only K.S.A. 8-197, Section 3 beginning on line 31 thru page 5, line 43, This creates a definition for “late model” vehicle, providing a threshold of 80% instead of 75% and that the “late model” vehicle would be designated as “6 years plus 1 - the current year for a total of 7. That would fix the problem in the original bill request. Steve Kearney, Kansas Automotive Recyclers, observed that in Mr. Sneed’s amendment the threshold for “nonrepairable” vehicles is lost as well as the definition of a “flood” vehicle. It is obvious to those in the industry that at some point there are vehicles that should never be returned to the road. They would like to have something moving forward. Mr. Sneed’s amendment is just a “baby step” toward solving the problems that are out there.

Carmen Alldritt, Director, KDOR Division of Motor Vehicles, introduced Matt Moser, Titles and Registration Chief, to address, in general, their concerns, There are so many groups working on this with so many different approaches, and their Division just wishes to ensure that there is an established

## CONTINUATION SHEET

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definition of a “salvage” vehicle, and an established threshold for a “nonrepairable” vehicle. It is very important the owner be required to get a salvage or nonrepairable title so that all the disclosures are made. Mr. McNeely advised that he has no dispute with State Farms’s balloon except it leaves areas of dispute, some of which were defined in the original request. Members discussed what can be done with this bill to get it to move forward during this Session. It was suggested the Committee adopt the two items Kansas Automobile Dealers would like to see in order to establish a “fair market” definition and “cost of repairs done at retail,” and then go with the State Farm amendment. That would solve some of the problems and get the bill moving at this time. It was further recommended that all parties concerned meet in the coming year to deal with the other issues and introduce a new bill in the 2005 Session. In order to not print the ten page **SB 500** over again with all the lines stricken, Senator Schodorf moved to recommend a substitute bill with only one section containing the conceptual amendments. Senator Goodwin seconded the motion. Motion carried.

### **SB 474: Driver’s licenses, van endorsement required to operate certain vehicles**

Senator Hensley spoke in support of the bill which provides that no person may drive a passenger van unless such person has a valid driver’s license with a V endorsement. It defines a “passenger van,” requires written and skill test, requires an endorsement on any class of license and establishes the cost of such licensing procedure. It will not apply to personally owned and operated vans. He introduced this bill on behalf of his constituents, Ron and Phyllis Alexander, who are here today to testify in support of this bill because of a personal tragedy with the death of their daughter. He introduced Mr. Alexander who testified as a proponent of the bill. He did not provide written testimony. Mr. Alexander described his researching of his daughter’s accident. It is obvious to him that the vans and the lack of properly trained drivers are the problem. In their case, the driver was a volunteer whose experience was in the National Guard, operating heavy equipment. He did not know the proper response when a tire blew out on the van. This bill would increase the safety margin for all occupants of these vehicles. Statistics show the accidents primarily result from improperly trained drivers. Mr. Alexander also provided National Transportation Safety Board materials relating to this problem (Attachment 2).

One other person, Bill Davenport, was scheduled to testify in opposition to this bill. His testimony was on the subject of personal, individual usage of these vans. Time did not permit his oral presentation. His written testimony is attached (Attachment 3). Chairman Donovan apologized for the lack of time and requested the bill be reintroduced early next year so there will be adequate time for a full hearing and committee consideration.

### **Approval of minutes**

Senator Goodwin moved to approve minutes of the February 17 and February 18, 2004 meeting. Senator Salmans seconded the motion. Motion carried.

The meeting adjourned at 9:30 a.m.

The next meeting is scheduled for March 9, 2004.