

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Dwayne Umbarger at 8:35 a.m. on March 4, 2010, in Room 152-S of the Capitol.

All members were present.

Committee staff present:

Bruce Kinzie, Office of the Revisor of Statutes
Daniel Yoza, Office of the Revisor of Statutes
Julian Efird, Kansas Legislative Research Department
Jill Shelley, Kansas Legislative Research Department
Cindy Shepard, Committee Assistant

Conferees appearing before the Committee:

Charles Pecchio, Verification Solutions, Inc.
Shawn Goff, MV Solutions, Inc.
Carmen Alldritt, Director of Division of Vehicles, Kansas Department of Revenue
Sandy Braden, Alliance of Automobile Manufacturers
John J. Federico, J.D., General Motors

Others attending:

See attached list.

Presentation on Vehicle Insurance Verification

Charles Pecchio, Verification Solutions, Inc., and Shawn Goff, MV Solutions, Inc., gave a presentation reviewing the option of vehicle insurance verification with the Kansas Online Insurance Verification System. Mr. Pecchio spoke first, stating that it is an industry standardized venter neutral model for online insurance verification, established by the Insurance Industry Committee on Motor Vehicle Administrators (IICMVA). He indicated that it is a proven model successfully implemented in eight states and is a most accurate and effective approach, reducing the uninsured motorist by up to 80%. He concluded that the identification of an uninsured motorist is event-based, during a traffic stop, registration renewal, accident or in court. He then turned the presentation over to Mr. Goff.

According to Mr. Goff, there is no cost to Kansas. The venter is responsible for implementation and maintenance costs paid through fines and reinstatement fees. He claims the system can be implemented in three months, has security and privacy. He concluded with the specifics of how it works (Attachment 1).

Chairman Umbarger opened the hearing on **HB 2482 - Expiration and renewal of drivers' licenses, requirements**. Bruce Kinzie, staff revisor, reviewed the bill.

Carmen Alldritt, Director of Division of Vehicles, Kansas Department of Revenue, testified as a proponent of **HB 2482**. According to Director Alldritt, the bill would make two changes to the law regarding renewal of drivers' licenses. The first change would allow any person who is residing with and is a dependent of a person on active duty in the armed forces of the United States, who is stationed outside the State of Kansas, to renew the license without examination if the Division has a photograph or digital image of the licensee on file.

The second change would require the Division to mail only the renewal notice of the expiration of the person's license, which could be done by postcard with estimated savings to the State of \$0.30 per renewal, instead of an envelope containing these items:

- notice for driver's license renewal
- an eyesight examination form
- driver's examination form
- Kansas driver's manual
- written information explaining the person's right to make an anatomical gift
- written information describing and relating to organ donation registry program

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The bill would also remove requirements for a driver renewing his or her license to take a written examination. Director Alldritt stated that the Division did a survey of the license renewal notice process in other states and found that 45 of 50 states sent postcard renewal reminders. She provided an example of a postcard renewal notice that the Division would use in renewal notice mailings ([Attachment 2](#)).

There being no further conferees, the hearing on **HB 2482** was closed.

The Chairman opened the hearing on **HB 2547 - Vehicle dealers and manufacturers licensing act, franchise agreements**, continued from the March 3, 2010 meeting.

Sandy Braden, Alliance of Automobile Manufacturers, testified in opposition to **HB 2547**. According to Ms. Braden, the U.S. auto industry has witnessed an historic transformation in the past two years. Dramatic increases in CAFÉ standards, new attention toward CO2 reductions, the recession and financial crunch have significantly impacted every manufacturer selling vehicles. In addition, state policymakers have played a role in reshaping the industry, the most significant of these initiatives involve states that have sought to expand franchise laws that govern the business relationships between manufacturers and dealers.

She indicated that there has been some communication between the Alliance and the Kansas Auto Dealers Association in regard to different positions on important franchise issues and with more time, are hopeful they would be able to reach agreeable positions on the remaining issues ([Attachment 3](#)).

John J. Federico, J.D., representing General Motors (GM), appeared in opposition to **HB 2547**. He indicated that they oppose the legislation in part, because there are still unresolved issues that are critical to the automobile manufacturers. Mr. Federico mentioned the GM manufacturing plant in Kansas City, and its contributions to the State's economy. The decisions the Kansas Legislature makes, are all factors in where GM awards future lines. He added that the tax climate, regulatory environment, relationship with the unions, and the general support of the plant within the state, all play a role in the future success of our manufacturing facility in Kansas. He requested that the proposed Alliance amendments be thoroughly vetted before the bill is advanced ([Attachment 4](#)).

Questions and discussion followed. The Chairman requested the two opposing groups work out their issues, draft any proposed changes and bring the amendments to the committee for consideration.

There being no further conferees, the hearing on **HB 2547** was closed.

The meeting was adjourned at 9:35 a.m. The next meeting is scheduled for March 5, 2010.