

INTERIM JOINT COMMITTEE ON TRANSPORTATION

Minutes of the 2nd Meeting of the 2024 Interim

July 16, 2024

Call to Order and Roll Call

The second meeting of the Interim Joint Committee on Transportation was held on July 16, 2024, at 1:00 PM in Room 149 of the Capitol Annex. Senator Jimmy Higdon, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jimmy Higdon Co-Chair; Representative John Blanton Co-Chair; Senators Karen Berg, Brandon Smith, Brandon J. Storm, Gex Williams, and Mike Wilson; Representatives Adrielle Camuel, Daniel Elliott, Ken Fleming, Peyton Griffee, David Hale, Samara Heavrin, Keturah Herron, Thomas Huff, Derek Lewis, Bobby McCool, Kimberly Poore Moser, Amy Neighbors, Ruth Ann Palumbo, Rachel Roberts, Tom Smith, Ashley Tackett Laferty, Walker Thomas, Ken Upchurch, Bill Wesley, and Wade Williams.

Guests: Matt Cole, Commissioner, Department of Vehicle Regulation, Kentucky Transportation Cabinet (KYTC); John Moore, Assistant State Highway Engineer, KYTC; Heather Stout, Executive Director, Office of Information Technology, KYTC; Jason Denny, Anderson County Clerk; Chad Mattingly, Marion County Clerk; Susan Lamb, Fayette County Clerk; Bobbie Holsclaw, Jefferson County Clerk; Brian Smith, Hardin County Clerk; Frank Friday, Government Affairs Director, Jefferson County Clerk's Office

Special Guests: Cousins of Representative Samara Heavrin; Roger Carter Pierce, Sanning Dale Pierce, and Lena Kathryn Pierce

LRC Staff: Dana Fugazzi, Ashley Nash, and Christina Williams.

Approval of June 04, 2024 minutes

The minutes for the June 04, 2024 minutes were approved.

Driver's Licensing System and New Regional Offices Update

Matt Cole, Commissioner, Department of Vehicle Regulation, KYTC, updated the committee on the Kentucky Driver Licensing Information System (KDLIS) and new regional offices. Commissioner Cole stated both the modernization of KDLIS and the regional offices are progressing and reported that KDLIS modernization includes state to state processing which will allow connection between all United States jurisdictions to ensure each driver has one credential in only one state, and it will also eliminate multiple manual processes.

Committee meeting materials may be accessed online at <https://apps.legislature.ky.gov/CommitteeDocuments/34>

The request for proposal was closed in June and the Finance Cabinet has begun their review process. Once the contract is awarded, deployment will take approximately two years.

In response to a question asked by Chairman Higdon, Commissioner Cole stated the implementation of the new system will allow them to connect with other agencies throughout the state and to share information electronically. Commissioner Cole also added the system should be able to mirror another state's process if that were to become preferable.

A new driver licensing regional office has been established and a temporary office is opened in Nelson County. The permanent location should be open in late December 2024 or January 2025. Another target location for a regional office is Grayson County; however, there were no options available for a temporary or permanent location. Finance will issue a bid for submissions and will let KYTC know the results. A third regional office is under consideration as both capacity and geographic coverage of existing offices is being reviewed.

In response to a question asked by Co-Chair John Blanton, Commissioner Cole stated improvement has been made on wait times in regional offices due to increased staffing.

Representative Samara Heavrin thanked KYTC for the consideration of placing a regional office in Grayson County.

Chairman Higdon thanked Sarah Jackson, REAL ID Project Manager, and all KYTC employees for their continued efforts.

NEVI (National Electric Vehicle Infrastructure) Electric Vehicle Charging Station Grant Program

John Moore, Assistant State Highway Engineer, KYTC, updated the committee on the NEVI Electric Vehicle Charging Station Grant Program. Mr. Moore highlighted the plan infrastructure elements including the federal funds available, awarded, and remaining. He highlighted the 42 charging station sites that are available in Kentucky as well as the site submissions received. Mr. Moore gave examples of developer timelines as well as examples of paths to build out the corridors. In closing, he provided post-approval information of community involvement in order to make the charging stations a reality.

In response to a question asked by Chairman Higdon, Mr. Moore stated the 42 grant recipients are required to match those funds. He added the program is a reimbursement program, stating that the NEVI program will reimburse 80% of the expenditures that qualify.

In response to a question asked by Representative Tom Smith, Mr. Moore stated the electric vehicle industry was very aggressive in expanding the market and he believes there is a natural contraction to adjust to market forces, and once there is a dependable infrastructure in place, he believes the industry will grow again to match demand. In clarification, he stated there are no plans to slow down or halt construction of infrastructure as the thinking is there will be an expansion of electric vehicle use, not a decline.

KAVIS Update

Heather Stout, Executive Director, Office of Information Technology, KYTC, provided 2023 and 2024 comparison numbers on the Automated Vehicle Information System (AVIS) versus the Kentucky Automated Vehicle Information System (KAVIS) including total collection, Ad-valorem collection, and checkouts. She briefed the committee on the prioritized system improvements including bulk transactions, reporting, data cleanup, and enhancements of speed and efficiency. Ms. Stout reported on the number of titles processed so far for 2024. The statutory requirement for reviewing titles is within five days, and titles are being reviewed in four days.

Rebuilt titles had a backlog increase due to staffing shortages and early KAVIS challenges. Ms. Stout stated there have been improvements made as they have modified support processes. They are currently working on rebuilt title issuance from May 17, 2024.

Representative Thomas Huff who is a vehicle dealer, stated he has not seen any improvement in the rebuilt title process, stating he still has several vehicles that have not been processed since May 1, 2024. Ms. Stout asked for the specifics of those cases so she could investigate the holdup.

In response to a question asked by Senator Brandon Storm, Ms. Stout stated the rebuilt title process includes the person receiving an approval letter, which is then taken to the clerk to complete the process, and then the title would be printed. The titles are printed in Tennessee through a vendor. In response to a follow-up question, Ms. Stout stated she is unsure if it would expedite the process by utilizing a vendor in Kentucky to print the titles, or if there would even be a vendor in Kentucky that would be able to print the titles.

Representative Smith urged KYTC to look into dealers being reprimanded through this transition for the use of temporary tags in order to continue a sale.

Jason Denny, Anderson County Clerk; Chad Mattingly, Marion County Clerk; and Susan Lamb, Fayette County Clerk, all spoke of their personal and office challenges, as well as the positive aspects in dealing with the KAVIS implementation. Bobbie Holsclaw, Jefferson County Clerk, briefed the committee on pressing challenges that have occurred in the

Jefferson County office since the implementation of KAVIS. Two branches of the Jefferson County Clerk's office were temporarily shut down in order to catch up on major backlog of vehicle dealer work. Frank Friday, Government Affairs Director, Jefferson County Clerk's Office, spoke of the unique challenges the Jefferson County office faces as Jefferson County has a large number of corporate, rental, and leasing fleets, which utilize the commercial side of Kentucky vehicle law. He stated within the implementation of KAVIS, the system was not addressing current Kentucky law under KRS 186A.145 which allows certain things to be done by the clerks to address commercial customers. Instead, it places roadblocks for when the clerk tries to implement those transactions. Brian Smith, Hardin County Clerk, spoke of backlog challenges on dealer work in his office.

In response to a question asked by Senator Karen Berg, Ms. Holsclaw attributed collection discrepancies between counties to the number of dealerships in each county.

In response to a question asked by Co-Chair Blanton, Ms. Holsclaw stated she believed the KAVIS issue is a managerial issue, but there are work around solutions that could be utilized, if given the ok to do so.

Co-Chair Blanton stated he has worked extensively with the parties involved in implementing KAVIS and urged patience as the undertaking of such a massive project was no easy task and will always have bugs to be worked out. He expressed his appreciation to all parties for briefing the committee on their concerns and experiences as the implementation of KAVIS continues.

Representative Smith thanked the Clerk's for sharing their experiences and requested from Ms. Holsclaw a written testimony for the things she has experienced.

Chairman Higdon thanked Ms. Holsclaw for her leadership in her unique position in dealing with obstacles in a larger county.

Adjournment

With no further business to come before the committee, Chairman Higdon adjourned the meeting at 2:27 P.M.