

SESSION OF 2003

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2193

As Recommended by Senate Committee on
Ways and Means

Brief*

The bill would amend existing law in regard to motor vehicle title fees and disposition of those fees. Specifically, the bill would:

- increase the cost of a motor vehicle title fee from \$8.00 to \$10.00;
- increase from \$4.50 to \$6.50 the fee for a reassignment form;
- repeal a provision in existing law whereby the title fee will be reduced from \$8.00 to \$3.50 on July 1, 2004;
- repeal the June 30, 2004, sunset of the transfer of \$3.50 of each title fee to the Kansas Highway Patrol Motor Vehicle Fund; and
- increase from \$1.00 to \$3.00 the amount of each title fee transferred to the VIPS/CAMA Technology Hardware Fund.

Background

Under current law, motor vehicle titles cost \$8.00. The charge would rise to \$10.00 under this bill. Of the \$10.00, \$3.50 will go to the State Highway Fund; \$3.50 to the Kansas Highway Patrol; and \$3.00 to the Department of Revenue. Under current law, if this bill does not pass, the title fee would revert to \$3.50 after FY 2004, with only the State Highway Fund receiving money.

The VIPS/CAMA Technology Hardware Fund has been a source of financing for the Department of Revenue's Vehicle Information

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org/klrld>

Processing System (VIPS) and the Division of Property Valuation's Computer Assisted Mass Appraisal (CAMA) System since 1993 when title money (\$1.00 per title) was allocated after a fee increase. KSA 74-2021 establishes this fund, and limits the use of money for the purpose of upgrading the VIPS/CAMA hardware for the state or for the counties. The Kansas Highway Patrol Motor Vehicle Fund also was established in 1993 with a portion (\$3.50 per title) of motor vehicle title fees. The fund's purpose is to provide an alternative to State General Fund financing for the Patrol's fleet program.

The bill would implement a recommendation included in the *Governor's FY 2004 Budget Report* to increase revenue by \$1.6 million to the Department of Revenue and reduce \$1.6 million of State General Fund appropriations. At the House Transportation Committee's hearing on the bill, testimony in support of the bill was presented by representatives of the Governor's Office, the Department of Revenue, and the Kansas Highway Patrol. No opponents to the bill presented testimony to the House Committee.

The fiscal note prepared by the Division of the Budget shows that the Department of Revenue estimates an increase of \$1.6 million of receipts to the VIPS/CAMA Technology Hardware Fund in FY 2004, with revenue rising from \$800,000 to \$2.4 million. The estimate of revenue to the Highway Patrol's Motor Vehicle fund is \$2.8 million annually after FY 2004 by removing the sunset. The fiscal note also states that any increase in administrative costs to the Department of Revenue would be absorbed within existing resources.

The House Committee of the Whole amendment is technical in nature.

The Senate Committee on Ways and Means heard testimony from representatives of the Governor's Office, the Department of Revenue, and the Kansas Highway Patrol, all of who favored the bill. It was requested that no amendments be added to this bill, and that any amendments be attached to subsequent bills that would address such issues as State Highway Fund financing for the Patrol and the transfer of the Alcoholic Beverage Control Division from the Department of Revenue to the Patrol, as recommended in the *Governor's FY 2004 Budget Report*.