

SESSION OF 2006

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2645

As Amended by House Committee of the Whole

Brief*

HB. 2645, as amended, would enact the Vehicle Title Service Agent Licensing Act. The bill would:

- Require vehicle title service agents to be licensed, pay a license fee of \$75, and maintain a bond of \$25,000 deposited with the State Treasurer;
- Allow the Director of Vehicles to suspend or revoke licenses and impose civil penalties between \$100 and \$2,000 for each violation of the Act;
- Provide that a vehicle title service agent not include any person who is licensed under the provisions of the Licensure of Vehicle Sales and Manufacture Act, or any person who engages as a vehicle title service agent only for commercial vehicles; and
- Require a licensee to maintain for three years, a log containing a record entry of the date of each application, the name of the person for whom the title services were performed, the name of the owner and the vehicle identification number of each vehicle and if the service is performed for an individual, photo identification of the owner.

Background

Conferees who testified before the House Transportation Committee in favor the bill included Rep. Huy; Don McNeely, President, Kansas Automobile Dealers Association; and Vaughan Fox, used car dealer, Wichita. Tom Whitaker, Kansas Motor Carriers Association, appeared to propose an amendment pertaining to the odometer statement. Carmen Alldritt, Director of Vehicles, stated that there are about twenty-five title service agents or businesses in

*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>

Kansas.

The House Transportation Committee amendments were proposed by the Kansas Automobile Dealers Association and the Kansas Motor Carriers Association

The House Committee of the Whole amendment adds the language that would require a licensee to maintain a photo identification of an owner when the service is performed by an individual.

The original fiscal note prepared by the Director of the Budget indicates that creating a new license would require new policies and procedures within the Title and Registrations Bureau of the Division of Vehicles as well as drafting of new rules and regulations. These costs, however, would be absorbed by the Department. The Department states that passage of the bill would require modifications to the dealer licensing system. The required programming for the bill includes 20 weeks of in-house programming that would be performed by existing staff of the Department of Revenue. However, if the combined effect of implementing the bill and other enacted legislation exceeds the Department's programming resources, or if the time for implementing the changes is too short, expenditures for outside contract programmer services beyond the Department's current budget may be required. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2007 Governor's Budget Report*.