

SESSION OF 2017

SUPPLEMENTAL NOTE ON SENATE BILL NO. 88

As Recommended by Senate Committee on
Transportation

Brief*

SB 88 would direct \$3 charged for each certificate of title for a repossessed vehicle to the contractor or county treasurer who processed the application. Under current law, the fee is remitted to the Secretary of Revenue and deposited into the Repossessed Certificates of Title Fee Fund (Fund). The bill also would repeal the statute establishing the Fund.

Background

The bill was requested by the Division of Vehicles (Division), Kansas Department of Revenue (KDOR), and a Division official testified in support of the bill at the Senate Committee on Transportation hearing. She stated that, as of 2016, the Division no longer processes repossessed title applications; those applications are processed for automobile dealers through a third-party vendor and for others by county treasurers. The president of both the Kansas Automobile Dealers Association and the Kansas Vehicle Title Services Company, LLC, submitted written testimony in support of the bill.

No other testimony was submitted.

The \$3 fee to obtain a certificate of title for a repossessed vehicle is established in KSA 2016 Supp. 8-135, which would not be amended by the bill.

*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>

According to the fiscal note prepared by the Division of the Budget, KDOR indicates enactment of the bill would decrease revenue to the Fund by approximately \$52,000 annually. Counties or contractors would retain those revenues and would experience a similar amount of increased revenues. KDOR also states it would incur costs of \$4,712 for programming changes to the motor vehicle system. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2018 Governor's Budget Report*.