

SESSION OF 2020

SUPPLEMENTAL NOTE ON SENATE BILL NO. 305

As Amended by Senate Committee on
Transportation

Brief*

SB 305 would increase the bond required for licensure as a dealer of used or new vehicles from \$30,000 to \$50,000. The bill would take effect January 1, 2021.

Background

The bill was introduced by the Senate Committee on Transportation at the request of the Director of Vehicles, Kansas Department of Revenue (KDOR).

In the Senate Committee hearing, the Vehicle Services Manager, Division of Vehicles, KDOR, testified as a proponent. She stated the bonds are used to benefit wronged retail consumers and may be accessed only with a court judgment. A representative of the Kansas Automobile Dealers Association also testified as a proponent. He stated \$50,000 is the average surety bond amount for licensure across the country. Both noted the increase is supported by the Dealer Review Board. No other testimony was provided.

The Senate Committee made a technical amendment.

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, KDOR estimates additional expenditures of \$2,112, all from the State General Fund, in FY 2021 to make updates to the agency's information technology equipment. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2021 Governor's Budget Report*.

*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>