

SESSION OF 2021

SUPPLEMENTAL NOTE ON SENATE BILL NO. 99

As Recommended by Senate Committee on
Transportation

Brief*

SB 99 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, 2022.

Background

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

[*Note:* The provisions of the bill are the same as those of 2020 SB 305, as recommended by the House Committee on Transportation.]

Senate Committee on Transportation

In the Senate Committee hearing on February 11, 2021, the Vehicle Services Manager, Division of Vehicles, KDOR, and the president of the Kansas Automobile Dealers Association provided **proponent** testimony. They stated the bond is used to protect consumers who are left without proper ownership documents if a dealership closes. They noted the bond amount has not been increased since the 1980s while the average price of a vehicle has increased significantly and stated the change is supported by the Dealer Review Board. [*Note:* The Dealer Review Board is described in KSA 8-2412.]

*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>

No other testimony was provided.

The Senate Committee recommended the bill be placed on the Consent Calendar.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget on the bill, KDOR indicates it would require \$662 from the State General Fund for FY 2022 to implement the bill and to modify the internal dealer application. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2022 Governor's Budget Report*.

Vehicle dealer; bonding