

SESSION OF 2004

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2746

As Recommended by House Committee on
Transportation

Brief*

The bill would create a new certificate of title for certain motor vehicles. The new "export certificate of title" would only be issued to a first stage manufacturer who produces motor vehicles in Kansas and sells those vehicles to dealers located in a foreign country. The manufacturer of such a vehicle would be required to execute a manufacturer's statement of origin to the Division of Vehicles in order to obtain the export title. A vehicle issued an export certificate of title would not have to be registered in Kansas. An export certificate of title could not be used to register a vehicle in the United States.

Background

The bill was requested for introduction by Representative Rehorn. At the House Transportation Committee's hearing on the bill, the owner of Premier MotorSports, LLC in Kansas City informed the Committee that without an export title, his company must pay sales tax and title its vehicles in Kansas prior to export for sale by auto dealers in Europe. According to the testimony, the sales tax adds enough to the cost of the vehicles that they are not economically competitive in the international market. No opponents of the bill presented testimony at the House Committee's hearing.

The fiscal note prepared by the Division of the Budget states that the Department of Revenue does not know the number of vehicles that would qualify for an export title. The Department anticipates that this bill would generate negligible revenue. Furthermore, the Department estimates that 120 program hours would be needed to modify programs on the Vehicle Information Processing System. An additional ten days of testing would be required after program changes are complete. The

*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>

Department of Revenue notes that these costs could be absorbed within its current budget.