

SESSION OF 2017

SUPPLEMENTAL NOTE ON SENATE BILL NO. 89

As Recommended by Senate Committee on
Transportation

Brief*

SB 89 would amend law relating to the collection of certain vehicle title and registration fees and the remittance of such fees.

Service Fee for Title Application to Lienholder

The bill would authorize the Division of Vehicles (Division) or a contractor to collect a \$1.50 service fee for processing and mailing a copy of a title application to a lienholder when the vehicle is subject to a lien. Current law permits only the county treasurer to collect such service fee.

Payment for Fees for Registration and Certificates of Title

The bill would authorize the Division or a contractor of the Division to be paid fees for registration and certificates of title, as well as a county treasurer. Current law authorizes only the county treasurer of the county in which the applicant for registration resides or has an office or principal place of business within Kansas to collect these fees. The bill would remove the specific requirements of the county treasurer to issue and deliver copies of receipts and instead specify the Division, contractor, or county treasurer would be required to issue a receipt for such fees paid.

*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>

Deposits to Special Fund

The bill would require the Division or contractor, in addition to the county treasurer already specified in law, to deposit \$0.75 out of each license application, \$0.75 out of each application for transfer of a license plate, and \$2.00 out of each application for a certificate of title, collected under the bill, in a special fund. The special fund would be appropriated for use of the Division or contractor, in addition to the county treasurer as in current law, in paying for necessary help and expenses incidental to the administration of duties pursuant to the bill. The bill would also specify that the county treasurer would receive extra compensation for services performed in administering certain registration-related duties in current law. (The bill would not amend the amounts of that compensation.)

Remittance of Fees to the Secretary of Revenue

The bill would require the Division or contractor, in addition to the county treasurer as in current law, to remit the remainder of all registration and certificates of title fees collected, together with the original copy of all applications, to the Secretary of Revenue.

Commercial Motor Vehicles

Fees collected by the Division for commercial motor vehicles or vehicles that are part of a commercial fleet would be remitted to the State Treasurer, who would be required to credit such amounts to the Commercial Vehicle Administrative Fund (Fund).

Additional Service Fee

Finally, in addition to the annual vehicle registration fees specified in the bill, any applicant for vehicle registration or renewal would be required to pay a service fee in the amount

of \$5 to the Division or contractor of the Division, as well as to the county treasurer as in current law. The Division or contractor, as well as the county treasurer as in current law, would be required to deposit all amounts received in a special fund to be used for all purposes for which the fund has been appropriated by law.

Background

The bill was introduced by the Senate Committee on Transportation at the request of the Kansas Department of Revenue (KDOR). In the Senate Committee hearing, the Manager of the Commercial Motor Vehicle (CMV) Office for the Division testified in favor of the bill. The representative stated current law permits only county treasurers to be the sole recipient of fees associated with commercial vehicle registration, even though CMV office staff are completing the registration work. The representative noted the bill would allow the entity completing the work to retain the associated administrative fees. She stated allowing the Division to retain the fees associated with registrations proceeds by the CMV Office will provide funding needed to maintain and enhance registration systems.

No other testimony was provided.

According to the fiscal note prepared by the Division of the Budget, KDOR estimates enactment of the bill would increase revenue to the Fund by approximately \$410,000 per year. KDOR indicates enactment of the bill could affect the amount of collected transaction fees KDOR sends to counties. KDOR notes that \$499,257 was sent to counties in calendar year (CY) 2014 and \$411,695 was sent to counties in CY 2015. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2018 Governor's Budget Report*.