



## KANSAS AUTOMOBILE DEALERS ASSOCIATION

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February 10, 2016

To: The Honorable Marvin KleeB, Chairman  
and Members of the House Committee on Taxation

From: Don L. McNeely, KADA President

Re: HB 2477 — Requiring proof of payment of real and personal property taxes for motor vehicle registration.

Good afternoon, Chairman KleeB and Members of the House Committee on Taxation. My name is Don McNeely, and I serve as the President of the Kansas Automobile Dealers Association, which represents the franchised new motor vehicle industry in Kansas. I am also joined this afternoon by our Legislative Counsel Whitney Damron.

On behalf of KADA, I appear today in opposition of HB 2477, which would require proof of payment of real and personal property tax in order to register a motor vehicle. Our opposition to this legislation does not mean that we endorse individuals and entities not paying their real and personal property tax on a timely basis. Our opposition is due to the unintended consequences of the proposal.

In most cases, when a licensed new motor vehicle dealer leases a vehicle to a consumer, the responsibility for assuring that the motor vehicle is properly registered is placed upon the dealer by the leasing company. HB 2477 as currently drafted places an undue burden upon the dealer too as it pertains to leasing a motor vehicle. This burden is even further compounded when the lease transaction is consummated outside of the normal business hours of the country treasurers' office.

We are also concerned this proposal will further perpetuate the out of state registration of motor vehicles that should be registered in Kansas. As mill levies continue to rise, it is becoming more and more evident that individuals are registering their vehicles out of state to avoid paying Kansas personal property tax.

On behalf of the Kansas Automobile Dealers Association, I thank the Members of the Committee for allowing me to appear before you this afternoon in opposition to HB 2477.

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