

MINUTES OF THE House COMMITTEE ON Transportation

The meeting was called to order by Rex Crowell at
Chairperson

1:30 ~~xx~~ p.m. on March 26, 1986 in room 519-S of the Capitol.

All members were present except:

Representative Vince Snowbarger - Excused.

Committee staff present:

Bruce Kinzie, Revisor of Statutes
Hank Avila, Legislative Research
Donna Mulligan, Committee Secretary

Conferees appearing before the committee:

Mr. Steve Wiechman, Wichita Auto Dealers Association
Mrs. Pat Wiechman, Kansas Automotive Dismantlers & Recyclers Association
Mr. Mark Bennett, American Insurance Association
Mr. Gary Howland, Mid-States Port Authority
Mr. Pat Hubbell, Kansas Railroad Association

The meeting was called to order by Chairman Crowell and the first order of business was a hearing on SB-470 concerning the licensure of certain dealers and brokers under the Vehicle Dealers and Manufacturers Licensing Act.

Mr. Steve Wiechman, Wichita Auto Dealers Association, testified in support of SB-470. (See Attachment 1)

Mrs. Pat Wiechman, Kansas Automotive Dismantlers and Recyclers Association, gave testimony in favor of SB-470. (See Attachment 2)

Mr. Mark Bennett, American Insurance Association, testified in opposition to SB-470. Mr. Bennett said a person making application for a bond, must be able to show a financial condition that would justify the writing of the bond. He suggested an alternative be provided such as a cash Certificate of Deposit rather than credit, which could be used by those who are unable to qualify for a bond.

Mr. Bennett recommended wording be added to SB-470 saying that "Regardless of the number of years the bond shall continue in force, or the number of premiums payable or paid, the limit of the surety's liability specified as the penal sum of the bond shall not be cumulative from year to year or period to period." (See Attachment 3)

The hearing on SB-470 was ended.

The next order of business was a hearing on SB-377 concerning port authorities. Hank Avila briefed the Committee on the contents of the bill.

Mr. Gary Howland, Mid States Port Authority, testified in support of SB-377. He said the primary purpose of the bill is to allow the port authority to negotiate sales rather than requiring land be put up for bid.

Mr. Pat Hubbell, Kansas Railroad Association, testified in opposition to SB-377. He clarified that the Rock Island Railroad could not have sold any of the land on the right-of-way. Mr. Hubbell said no matter what type of title there was to the property, unless it was within the city limits or town lots they still only had an easement.

The hearing on SB-377 was concluded.

CONTINUATION SHEET

MINUTES OF THE House COMMITTEE ON Transportation,
room 519S, Statehouse, at 1:30 ~~am~~/p.m. on March 26, 1986

The next business taken up was Committee discussion and action on SB-429 concerning handicapped parking permits. Bruce Kinzie briefed the Committee concerning proposed amendments to the bill. (See Attachment 4)

A motion was made by Representative Shore to amend SB-429 to provide that the color code of the placards and identification cards be changed and reissued every three years. The motion was seconded by Representative Moomaw. Motion passed.

A motion was made by Representative Patrick that the language in Lines 143-144 stating "or who falsely utilizes any parking privilege provided in Section 3" be removed. The motion was seconded by Representative Wilbert. Motion passed.

A motion was made by Representative Wilbert that SB-429 be passed favorably as amended. The motion was seconded by Representative Dillon.

A substitute motion was made by Representative Knopp to adopt the technical amendments in the balloon handout. The motion was seconded by Representative Patrick. Substitute motion passed.


A motion was made by Representative Dillon that SB-429 be recommended favorable for passage as further amended. The motion was seconded by Representative Wilbert. Motion passed.

The next order of business for Committee discussion and action was SB-624 concerning abandoned vehicles.

A motion was made by Representative Knopp to insert language on Line 56 to indicate once a week for two consecutive weeks. The motion was seconded by Representative Brown. Motion passed.

A motion was made by Representative Harper that SB-624 be recommended as amended, favorable for passage. The motion was seconded by Representative Dillon. Motion passed.

The meeting was adjourned at 3:10 p.m.


Rex Crowell, Chairman

GUEST LIST

COMMITTEE: Transportation

DATE: 3-26-86

PLEASE PRINT

NAME	ADDRESS	COMPANY/ORGANIZATION
Dennis Murphy	Topeka	KDHE
Pat Hubbell	Topeka	Kansas Railroad Assn.
BRUCE GRAHAM	TOPEKA	Ks Motor Carriers Assn.
GARY HOWLAND	TOPEKA	Mid States Port Auth.
John R. Scheirman	"	K. D. O. T.
Steven R. Wiechman	Topeka	Wichita Auto Dealers Assn.
Pat Wiechman	"	K.A.D.R.A.
Pat BARNES	"	Ks. Motor Carriers Assn.
JIM SULLIOS	"	" " " " "
MIKE BEAM	TOPEKA	Ks. Lusk Assn.
Harold B. TOWNLINE	TOPEKA	DEPT. OF REVENUE
Richard P. Schlegel	MANHATTAN	A.B.A.T.E.
Ray Petty	Topeka	KACEH / DHR
RON CALBERT	NEWTON	U.I.U.
Bill Greed	TOPEKA	K.C.C.
Tom Robrahn	Burlington	Intern
Mark E. Tunstington	Topeka	Kansas Motor Carriers Assn.
Tom Whitaker	Topeka	"

SENATE BILL 470

VEHICLE DEALER BONDING

Wichita Auto Dealers Association
1101 West 10th
Topeka, KS. 66604
(913) 233-8862

H. Transp. 3/26/86

Attach. 1

HOUSE TRANSPORTATION COMMITTEE

March 25, 1986

SENATE BILL NO. 470

CHAIRMAN CROWELL, MEMBERS OF THE COMMITTEE:

I am Steven R. Wiechman, representing the Wichita Auto Dealers Association. We would like to express our appreciation to you for the opportunity to appear in support of SB 470.

SB 470 would add provisions to the dealer licensing law which would require applicants for a new or used vehicle dealer's license to acquire a \$25,000 surety bond.

There have been several questions raised in connection with dealer bonding, such as (1) Why would vehicle dealers want bonding? (2) Are bonds available? (3) What would the bonds cost? (4) Will bonding put dealers out of business? (5) What have been the experiences of other states that presently have dealer bonding? (6) How can bonding help consumers? (7) Are there any alternatives to bonding? All these are valid concerns and we have looked at each with careful consideration. The last thing we want to do is get something put into place that will backfire on us.

WHY WOULD VEHICLE DEALERS WANT BONDING? It is a well known fact that vehicle dealers do not enjoy the best of reputations. "Just like a used car salesman," is an expression that is usually meant less than complimentary. No one wants to be ripped off by an unscrupulous vehicle dealer; and, unfortunately, when that happens all vehicle dealers are branded in the consumer's mind. Over the past few years, the vehicle dealers' associations in Kansas have attempted to improve that negative vehicle dealer/vehicle salesman

image. Last year, the Dealer Review Board which is an appointed board made up of vehicle dealers, along with the Department of Revenue, presented to the Legislature a package that they felt would help to improve the image of vehicle dealers and upgrade the industry as a whole. All segments, including salvage, used and new dealers supported the provisions of that package to include the bonding provisions. The vehicle dealers' associations in Kansas have sincerely challenged themselves to "clean up our act."

ARE BONDS AVAILABLE? The answer is "YES!" Some of the companies that write a great many of the bonds for dealers in Texas, Oklahoma and Missouri are Western Sureties Company, home office in Sioux Falls, Iowa; Universal Underwriters in Kansas City, Missouri; Western Casualty in Ft. Scott; and the Surety Association of America out of New Jersey. Additionally, CNA is currently working on an insurance package program for one of the vehicle dealer associations and they are looking at the possibility of providing the bonding to these dealers as well. The cost of the bonds will be approximately 1% of the bond which in the case of the proposed \$25,000 bond will run between \$250.00 and \$500.00.

What about the small guy? **WILL BONDING PUT DEALERS OUT OF BUSINESS?** In talking with the administrative branches of government in Texas, Oklahoma and Missouri, it is the consensus that the bonding requirement will not "put dealers out of business." What bonding will do is require that dealers provide both proof of financial stability and good character. If a vehicle dealer has as few as 10 vehicles with values from \$1,000 to \$3,000, he would have

an inventory of \$25,000; and certainly, if the prospective dealer is not of good character, then that is the kind of person that should not be a Kansas dealer. We also had occasion to discuss the bonding with used and salvage dealers from Missouri. Again, among the dealers themselves, it was the consensus that the bonding does not put dealers out of business.

HOW CAN VEHICLE DEALER BONDING HELP THE CONSUMER? What happens when a consumer buys a vehicle from a dealer that turns out to be a flood car or a lemon; or has a bad title or no title at all; or has an unpaid secured party; or is an odometer roll-back; or if a consumer becomes the victim of any fraudulent vehicle dealer transaction? The Consumer Protection Act and Lemon Law provide recourse but nothing guarantees collection, short of a bond. It is contemplated that should the consumer attempt to recover the damages by legal means only to find that the dealer has either skipped out or has no assets from which to recover, then the consumer, after judgement, would have the recourse to go against the bond. The bonding company would be required to pay the consumer and the consumer would not be left hanging out, as so often occurs now.

ARE THERE ANY ALTERNATIVES TO BONDING? "Yes." One of the alternatives is to allow dealers to show proof of a \$25,000 line of credit; another is to allow dealers to deposit \$25,000 in a savings or similar account dedicated to use only in the event of legal settlement for matters that would be otherwise handled by bonding. Another method is to use a third party guarantor who has a financial net worth of non-exempt property in excess of \$25,000.

WHAT CHANGES CAN BE MADE TO REMOVE DOUBTS AND RESERVATIONS? We believe that bonding in Kansas will work. If you still have reservations about its effectiveness or availability, may we suggest the following changes:

1.) allow a letter of credit or co-signator in lieu of the bond to be filed with the dealer's license application.

2.) change the date for requiring bonding to January 1, 1988, to allow time for the administration and insurance programs to be in place in Kansas. If, after the law is in place, a problem arises, the appropriate changes can be made in the 1987 Legislative Session.

You have been provided folders that contain not only my written testimony, but samples of bonds from Texas, Oklahoma and Missouri. Also in the folder is a letter from the Kansas Peace officers' Association expressing their support for favorable passage of SB 470. Additionally, the Kansas Highway Patrol has verbally expressed support of SB 470. The Kansas Automotive Dismantlers and Recyclers Association, an association of salvage and used vehicle dealers, has also joined in support of SB 470.

WHAT HAS BEEN THE EXPERIENCE OF STATES THAT ALREADY HAVE BONDING? Also included in the folder is a letter from Mr. James E. Crim, Executive Director of the Oklahoma Used Motor Vehicle and Parts Commission. For first-hand knowledge, Mr. Crim will share Oklahoma's experiences. Mr. Crim has worked long and hard with vehicle dealer bonding and is considered an expert in the field. He may also have some other alternatives for your consideration.

Respectfully submitted,

STEVEN R. WIECHMAN
for Wichita Auto Dealers Association



STATE OF OKLAHOMA
USED MOTOR VEHICLE AND PARTS COMMISSION

4400 WILL ROGERS PARKWAY, SUITE 213
OKLAHOMA CITY, OKLAHOMA 73108
TELEPHONE (405) 949-2626
WATS 1-800-522-4952

March 7, 1986

Patricia Wiechman
Wichita Automobile Dealer's Association
1101 West 10th Street
Topeka, Kansas 66604

Dear Mrs. Wiechman:

This is to respond to your recent request for information concerning the \$10,000 surety bond requirement for used motor vehicle dealers in Oklahoma. The bond premium for the \$10,000 bond is, in most cases, \$70.00. To my knowledge, this cost has not caused any dealer to close his business. In some cases, however, when the bond has been paid to a third party for fraud practiced by the dealer, that particular dealer may have gone out of business.

If you have any further inquiries, feel free to contact me.

Sincerely,

James E. Crim,
Executive Director

JEC:js

STATE OF OKLAHOMA
USED MOTOR VEHICLE AND PARTS COMMISSION
USED MOTOR VEHICLE DEALER'S SURETY BOND

Bond Number _____

KNOW ALL BY THESE PRESENTS, that

as Principal, whose place(s) of business is/are located at the address(es) set forth above, and

as Surety, are held and firmly bound to the State of Oklahoma and severally to such persons who shall conduct business with said Principal in its capacity as a used motor vehicle dealer in the penal sum of **Ten Thousand Dollars (\$10,000.00)**, for the payment of which sum, well and truly to be made, we hereby jointly and severally bind ourselves, our heirs, administrators, executors, successors and assigns.

WHEREAS, the above-named Principal is applying for a license as a used motor vehicle dealer,

AND WHEREAS, said Principal is required by law to submit a good and sufficient surety bond, conditioned as set forth below, with said application for license,

THE CONDITION OF THIS OBLIGATION is such that if the Principal shall conduct its business as a used motor vehicle dealer without practicing fraud or making fraudulent representations, and without violating any of the provisions of the Oklahoma Used Motor Vehicle and Parts Laws (47 O.S. Supp. 1980, §§ 581-587) or any amendments thereto, and if the Principal shall indemnify and reimburse any person for any loss or damage suffered by reason of said fraud, fraudulent representations or otherwise by the issuance of a certificate of title by the Principal, then this obligation shall be void; otherwise to remain in full force and effect.

IT IS FURTHER UNDERSTOOD AND AGREED that the above obligation shall extend, without notification to the Surety, to any change of officers of the Principal if the Principal is a corporation, to any additional locations or changes of address of the Principal or to any substitution of business name of the Principal wherein ownership is not changed.

IT IS FURTHER UNDERSTOOD AND AGREED that the liability of the Surety hereunder shall, in no event, exceed the amount of this bond and that the Surety shall have the right to cancel the bond upon the giving of thirty (30) days written notice of cancellation to the Principal and the Used Motor Vehicle and Parts Commission.

DATED this _____ day of _____, 19 _____.

Principal

By: _____

Surety

By: _____

47 O.S. Supp. 1980, §§ 583.B All bonds and licenses issued under the provisions of this act shall expire December 31.



Missouri Department of Revenue

Address Reply to: Motor Vehicle Bureau, P.O. Box 100, Jefferson City, Missouri 65105

February 11, 1986

Fai Wiedeman
1101 West 10th
Topeka, KS. 66604

Dear Inquirer:

Per our conversation of February 10, 1986, I have attached our bond instructions and a sample bond for your review.

If you require further information, please contact this office at (314) 751-4469.

Sincerely,

A handwritten signature in cursive script that reads "Beverly Scheulen".

Beverly Scheulen, Supervisor
Dealer's Processing Section

CORPORATE SURETY BOND

Missouri law requires that every applicant for a dealer's license shall furnish, at the time of application, a corporate surety bond in the penal sum of \$25,000.00. The bond shall be on a form provided by the Director of Revenue. The requirements of the bond are as follows:

1. The bond must be executed in the name of the State of Missouri for the benefit of any aggrieved party.
2. The dealership name must be listed as principal of the bond.
3. The effective date of the bond must be on or before the date of the application for dealer's license.
4. The bond must state that it is conditional upon the applicant's compliance with the provisions of the statutes applicable to Missouri dealers.
5. The bond must state that it is an indemnity bond for loss sustained by any person by reason of an act of the dealer, when that act could constitute grounds for suspension or revocation of the dealer's registration.
6. The amount of the bond must be \$25,000.00 and must specify that the liability of the surety bond shall in no event exceed \$25,000.00.
7. The bond may or may not state that it is payable to the aggrieved party only after final judgment of a Missouri Court against the dealer.
8. The bond must indicate an expiration date or state that it is a non-expiring bond, and shall, in all cases, state that the Department of Revenue will be notified in case of cancellation by either party.
9. The principal (dealer) must sign the bond and have his signature witnessed or notarized.
10. The authorized agent of the bonding company must sign the bond and have his signature witnessed or notarized.

SAMPLE BOND

MOTOR VEHICLE DEALER MISSOURI

KNOW ALL MEN BY THESE PRESENT, that we _____
 _____ Dealership Name
 as Principal, and _____, a corporation organized and
 _____ Bonding Company
 existing under the laws of the State of _____, having its
 principal place of business at _____, as
 Surety, are held and firmly bound unto the State of Missouri, in the penal sum
 of Twenty-Five Thousand Dollars (\$25,000.00) for the payment of which, well and
 truly to be made, we bind ourselves, our heirs, executors, administrators,
 successors and assigns, jointly and severally, firmly by these present.

THE CONDITION of the above obligation is such that WHEREAS the Principal
 has applied for the issuance of a Motor Vehicle Dealer's license and presents
 this bond in accordance with said statute.

NOW, THEREFORE, if the aforesaid Principal shall faithfully comply with the
 provisions of the State of Missouri statutes applicable to new motor vehicle
 franchised dealers, used motor vehicle dealers and wholesale motor vehicle
 dealers, and shall indemnify any person dealing or transacting business with the
 principal for any loss sustained by any person by reason of the acts of
 principal provided such acts of Principal constitute grounds for suspension or
 revocation of Principal's registration, then this obligation to be void;
 otherwise, to remain in full force and effect.

The aggregate liability of the Surety of all persons shall, in no event,
 exceed the amount of this bond during any one license year.

The bond shall be effective _____, 19____ and shall
 expire _____, 19____ (Bond can be listed as
 "non-expiring").

This bond may be cancelled by the Surety giving written notice to the
 Principal and Missouri Director of Revenue, stating the date of cancellation,
 which in no event shall be less than 30 days after receipt of said notice by the
 Director of Revenue; however, the Surety shall remain liable for any and all
 acts of the Principal covered by this bond up to the date of cancellation.

Dated this _____ day of _____, 19____.

WITNESS TO PRINCIPAL'S SIGNATURE

 Signature

 Signature of Dealer (Principal) (Seal)

WITNESS TO SURETY'S SIGNATURE

 Signature

 Signature of Bondsman (Surety) (Seal)

ALL TEXAS DEALERS
September 3, 1985
Page Seven

of his application for a general distinguishing number. In an action brought under this provision of law, the plaintiff may seek an injunction and, if a plaintiff other than the Department, may recover his attorney's fees.

- X. New revised bond forms were submitted to the Attorney General and subsequently approved on July 16, 1985. This was necessary because of a change in the statute. The following statement is now incorporated into the revised bond form:

"Recovery against the bond or other security may be made by a person who obtains a judgment against a dealer assessing damages for an act or omission on which the bond is conditioned if the act or omission occurred during the term for which the general distinguishing number will be valid."

New bond forms must be submitted with your renewal applications. We will not accept bond "Continuation Certificate" forms for bonds issued prior to September 1, 1985. Incidentally, another change in the law that necessitated a change in the bond form is the provision for the payment of all valid bank drafts (not just drafts between dealers).

In order to comply with the above indicated provisions of law relating to payment of judgments, we have incorporated the following statement in the new bond form:

"Payment of any judgment by the Surety shall be immediately reported to the State Department of Highways and Public Transportation, Division of Motor Vehicles, on a form prescribed by the Department." (An out-of-court settlement by a Surety does not constitute payment of a judgment.)

Upon receipt of such notice, the Department shall proceed with the cancellation of the dealer's general distinguishing number.

In effect, this new amendment provides that a Surety can-
not cancel a bond placed on file with us since the bond
will be valid for the period for which the general distin-
guishing number will be valid.

XI. Any dealer or manufacturer violating any provisions of
this Act for the violation of which no other penalty is
prescribed shall be deemed guilty of a misdemeanor, and
upon conviction, shall be fined not less than \$25 nor more
than \$200 and all the costs of court.

XII. With the exception of the continued use of current dealer
plates and tags, all provisions of the new amendments
shall apply to all dealers effective September 1, 1985.

Sincerely yours,

M. G. Goode
Engineer-Director

BY: *R. W. Townsley*

R. W. Townsley, Director
Division of Motor Vehicles

RWT:ar

MOTOR VEHICLE DEALER'S SURETY BOND

Bond Number _____

KNOW ALL BY THESE PRESENTS, that

Name _____

Address(es) _____

City, State, and Zip _____

as Principal, whose place of business and any supplemental location(s) operated under the same general distinguishing number is/are located at the address(es) set forth above, and

Name _____

Address _____

City, State, and Zip _____

as Surety, duly authorized and qualified to do business as a surety company in this state, are held and firmly bound to such persons who shall conduct business with said Principal in its capacity as a motor vehicle dealer in the penal sum of TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00), for the payment of which sum, well and truly to be made, we hereby jointly and severally bind ourselves; our heirs, administrators, executors, successors and assigns.

WHEREAS, the above-named Principal is applying for a license as a motor vehicle dealer,

AND WHEREAS, said Principal is required by law (V.C.S. 6686[a][1-A]) to submit a properly executed surety bond, conditioned as set forth below, with said application for license,

AND WHEREAS, the bond shall run concurrently with the period of the license issued to the Principal and a bond continuation certificate will be necessary each year,

THE CONDITION OF THIS OBLIGATION is such that if the Principal shall pay all valid bank drafts drawn by the Principal for the purchase of motor vehicles and transfer good title to each motor vehicle that the Principal purports to sell, then this obligation shall be void; otherwise to remain in full force and effect.

IT IS FURTHER UNDERSTOOD AND AGREED that the above obligation shall extend, without notification to the Surety, to any change of officers of the Principal if the Principal is a corporation, to any additional locations or changes of address of the Principal or to any substitution of business name of the Principal wherein ownership is not changed.

IT IS FURTHER UNDERSTOOD AND AGREED that this bond shall be open to successive claims up to the face value of the bond. The Surety shall not be liable for successive claims in excess of the bond amount, regardless of the number of claims made against the bond or the number of years the bond remains in force. Recovery against the bond may be made by a person who obtains a judgment against a dealer assessing damages for an act or omission on which the bond is conditioned if the act or omission occurred during the term for which the general distinguishing number will be valid. Payment of any judgment by the Surety shall be immediately reported to the State Department of Highways and Public Transportation, Division of Motor Vehicles, Austin, Texas 78779, on a form prescribed by the Department.

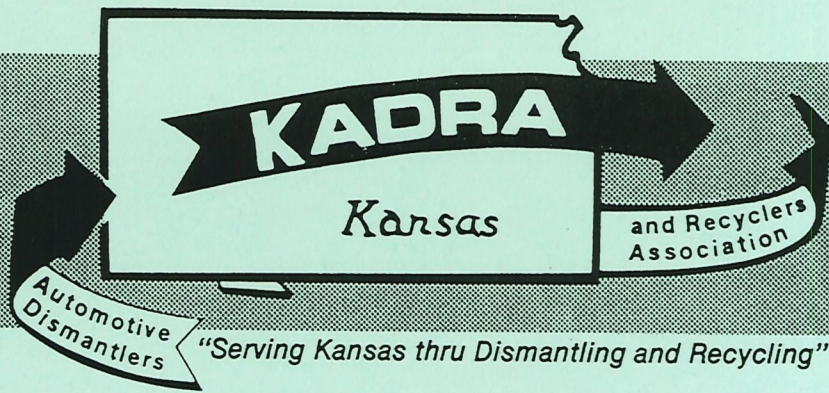
IN WITNESS WHEREOF said Principal and Surety have executed this bond to be effective on the _____ day of _____, 19_____, and to expire on the 31st day of March, 19_____.

DATED this _____ day of _____, 19_____.

Principal
By: _____

DATED this _____ day of _____, 19_____.

Surety
By: _____



PRESIDENT
Wayne Castle
Foreign Cars Unltd
Wichita, KS

HOUSE TRANSPORTATION COMMITTEE

March 25, 1986

VICE PRESIDENT
John Lewis
Lewis Auto Salvage
Topeka, KS

SENATE BILL NO. 470

SECRETARY/TREASURER
Evelyn Fateley
Hillside Auto Parts
Chanute, KS

CHAIRMAN CROWELL, MEMBERS OF THE COMMITTEE:

I am Pat Wiechman, representing the Kansas Automotive Dismantlers and Recyclers Association. K.A.D.R.A. wishes to express to you our support for SB 470.

LEGAL COUNSEL
Steven R. Wiechman
Topeka, KS

Our association has been a long time advocate for self-regulation and increased credibility through proper control. We believe that bonding is a partial step toward instilling protection of consumers from unauthorized and improper activities of certain dealers.

DIRECTORS

Don Ely
Kingman Salvage
Kingman KS

Jerry Inman
Hays Auto Parts
Hays, KS

Dale Lehning
A-One Salvage, Inc.
Haysville, KS

Gary Roth
Dodge City Salvage, Inc.
Dodge City, KS

We would urge this Committee to pass SB 470, with a recommendation that it be passed by the full House.

Mark Warrell
A-OK Auto Salvage
Kansas City, KS

Thank you for the opportunity to appear before you.

Jerry Gray
G & R Motors
Wichita, KS

Respectfully submitted,

PATRICIA M. WIECHMAN
Kansas Automotive Dismantlers &
Recyclers Association

Ray Standifer
Standifer & Son Truck Recycling
Wichita, KS

Paul Davis
A Plus Parts & Salvage
Wichita, KS

H. Transp. 3/26/86
Attach. 2

Regardless of the number of years the bond shall continue in force, or the number of premiums payable or paid, the limit of the surety's liability specified as the penal sum of the bond shall not be cumulative from year to year or period to period.

H. Transp. 3/26/86

Attach. 3

Proposed Amendments to S.B. No. 429

Sec. . K.S.A. 1985 Supp. 8-132 is hereby amended to read as follows: 8-132. (a) Subject to the provisions of this section and ~~K.S.A. 8-132a and amendments thereto~~ section 2, the division of vehicles shall furnish to every owner whose vehicle shall be registered one license plate for such vehicle. Such license plate shall have displayed on it the registration number assigned to the vehicle and to the owner thereof, the name of the state, which may be abbreviated, and the year or years for which it is issued. The same type of license plates shall be issued for passenger motor vehicles, rented without a driver, as are issued for private passenger vehicles.

(b) During calendar year 1975 commencing on the effective date of this act, and during every fifth calendar year thereafter, the division of vehicles, shall furnish one license plate for any type of vehicle an owner registers or has the registration thereof renewed, but during the succeeding four-year period following calendar year 1975 and during the succeeding four-year period following every fifth calendar year subsequent to 1975, the division of vehicles shall not furnish any license plate for the renewal of a vehicle's registration. During calendar year 1976 and during each calendar year thereafter in which a license plate is not issued for the renewal of registration of a vehicle, the division of vehicles shall furnish one decal for the license plate issued for a vehicle as provided in K.S.A. 8-134₁ and amendments thereto₁ for each registration and renewal of registration of such vehicle. Notwithstanding the foregoing provisions of this subsection, whenever, in the discretion of the director of vehicles, it is determined that the license plates currently being issued and displayed are not deteriorating to the extent that their replacement is warranted, the director may adopt rules and regulations to extend the five-year issuance cycle provided for in this subsection by one year at a time, and in the same manner the director may further

*H. Transp. 3/26/86
Attach. 4*

extend such cycle by one year at a time, successively as the director determines appropriate. If the cycle is extended, at the expiration of the extended term, new license plates shall again be issued in the manner and for the term provided in such rules and regulations.

(c) Two personalized license plates may be issued to any owner of a passenger vehicle or a truck licensed for a gross weight of not more than 16,000 pounds, who makes proper application to the division of vehicles not less than 60 days prior to such owner's renewal of registration date. Such application shall be on a form prescribed by the division and accompanied by a fee of \$40, which shall be in addition to any other fee required to renew the registration of such passenger vehicle under the laws of this state. One such personalized license plate shall be displayed on the rear of the vehicle and the other shall be displayed on the front of the vehicle. One personalized license plate may be issued to any owner of a motorcycle upon proper application in the same manner provided in this subsection (c) for passenger vehicles and trucks. Such personalized license plate shall be displayed on the rear of the motorcycle. The changed provisions of this subsection (c) shall become effective for all personalized license plates issued for the year 1985 and thereafter, and the provisions of this subsection (c) which are changed shall be deemed not to be changed for license plates issued for use prior to 1985. Such fee shall be paid only once during the registration period for which such license plates were issued, and any subsequent renewals during the registration period shall be subject only to the registration fee prescribed by K.S.A. 8-143, and amendments thereto. The division shall design distinctive, personalized license plates to be issued hereunder which shall contain not more than seven letters or numbers on truck or passenger vehicle license plates and not more than five letters or numbers on motorcycle license plates, or a combination thereof, to be designated by the applicant in lieu of the letters and numbers

required by K.S.A. 8-147, and amendments thereto, other than the letters required to designate the county in which such vehicle is registered. Unless the letters or numbers designated by the applicant have been assigned to another vehicle of the same type registered in the same county, or unless the letters or numbers designated by the applicant have a profane, vulgar, lewd or indecent meaning or connotation, as determined by the director of vehicles, the division shall assign such letters or numbers to the applicant's vehicle, and the letters or numbers, or combination thereof, so assigned shall be deemed the registration number of such vehicle. Subject to the foregoing provisions, all license plates issued under this section shall be manufactured in accordance with K.S.A. 8-147, and amendments thereto. Such license plates shall be issued for a registration period of five years commencing in 1985 and each five years thereafter.

The secretary of revenue shall adopt rules and regulations necessary to carry out the provisions of this act, including, without limitation, rules and regulations concerning (1) the procedure for insuring that duplicate license plates are not issued in the same county, (2) the procedure for reserving distinctive license plates for the purpose of obtaining the same on each annual renewal of registration, (3) the procedure for allowing the transfer of personalized license plates from one vehicle to another for which such license plates were originally issued, when the title to the original vehicle has not been transferred and the name or names of the owner or owners listed on the titles to both vehicles are identical, and (4) procedures necessary to coordinate this act with other laws of this state governing registration of vehicles. The director of vehicles shall remit all moneys received by the division of vehicles under this section to the state treasurer at least monthly. Upon receipt of each such remittance, the state treasurer shall deposit the entire amount thereof in the state treasury to the credit of the state highway fund.

Sec. . K.S.A. 1985 Supp. 8-1324 is hereby amended to read

as follows: 8-1324. Any person may make application to the division of vehicles and be issued an identification card, certified by the registrant and attested by the division as to true name, correct age, photograph and other identifying data as the division may require. Every application for an identification card shall be signed and verified by the applicant before a person authorized to administer oaths and shall contain such bona fide documentary evidence of the age and identity of such applicant as the division may require. The division shall require payment of a fee of \$6 at the time application for an identification card is made, except that persons who are 65 or more years of age or who are handicapped, as defined in K.S.A. ~~8-132a-and-amendments-thereto~~, section 1 shall be required to pay a fee of only \$2.

Sec. . K.S.A. 1985 Supp. 8-1325 is hereby amended to read as follows: 8-1325. Every identification card shall expire, unless earlier canceled, on the fourth birthday of the applicant following the date of original issue, except as otherwise provided by K.S.A. 8-1329, and amendments thereto. Renewal of any identification card shall be made for a term of four years and shall expire in a like manner as the originally issued identification card, unless surrendered earlier. Any application for renewal received later than 90 days after expiration of the identification card shall be considered to be an application for an original identification card. The division shall, at the end of four years and six months after the issuance or renewal of an identification card, shall destroy any record of the card if it has expired and has not been renewed. The division shall require payment of a fee of \$6 for each identification card renewal, except that persons who are 65 or more years of age or who are handicapped, as defined in K.S.A. ~~8-132a-and-amendments--thereto~~, section 1 shall be required to pay a fee of only \$2.