

SESSION OF 2002

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 458**

As Amended by House Committee of the Whole

**Brief\***

SB 458 deals with motor vehicle dealer fees and trade shows.

**Fee Provisions.** The bill amends two statutes that concern fees established under the Vehicle Dealers and Manufacturers Licensing Act. The amendments generally increase the various license fees set out in KSA 8-2404. Other amendments change the manner in which license fees remitted to the State Treasurer are to be allocated. Until July 1, 2002, all money from license fees collected under the Vehicle Dealers and Manufacturers Licensing Act continue to be deposited by the State Treasurer to the credit of the State Highway Fund. On and after July 1, \$25 of each license fee collected pursuant to subsections (e) and (f) of KSA 8-2404 is to be credited to the Vehicle Dealers and Manufacturers Fee Fund, except \$10 of any fee collected pursuant to paragraph (14) of subsection (e) and any transfer fee collected pursuant to subsection (h) is to be credited to the Vehicle Dealers and Manufacturers Fee Fund.

The bill also deletes a current provision which allows a salvage vehicle dealer who is also licensed as a used vehicle dealer to pay one fee for both licenses.

**Trade Shows.** The bill also adds new section 4 to provide for a temporary trade show license issued by the Director of Vehicles to motor vehicle dealers. The license would be issued to a person licensed in Kansas or in another state who will participate in trade shows with Kansas vehicle dealers. The fee for the license would be \$50 for each trade show and would allow applicants to display new trucks, truck tractors (those with a gross vehicle weight rating of 26,000 pounds or more), semitrailers, or new recreational vehicles at a location

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\*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.accesskansas.org/legislature/>

other than the established or supplemental place of business of the dealer. Invitations for participation at these shows would be extended to new vehicle dealers in each particular same line-make of the vehicle categories whose relevant market area includes the proposed site of the trade show display. Other provisions would:

- Require dealers to receive prior approval of the first stage manufacturer, second stage manufacturer, first stage converter, or second stage converter for each line-make of the vehicles to be displayed and disclose to these entities that the vehicles will be shown at a trade show;
- Limit trade shows to four consecutive days;
- Require out-of-state dealers to be licensed in a state which permits licensed Kansas dealers to participate in the other state's trade shows under substantially equivalent requirements as those in Kansas.
- Stipulate that if less than 50 vehicle dealers participate at a trade show, then require at least 50 percent of participating dealers to be licensed Kansas dealers;
- Provide that no more than two trade show licenses will be issued per participant, per county, per year;
- Require that trade show participants provide a disclaimer on the vehicles that the vehicles are only for display and not for sale.
- Require dealers at trade shows to pay a \$35 fee.

Finally, the bill provides that applicants could not apply for a license to display vehicles under terms and conditions of another statute (KSA 8-2435).

## **Background**

SB 458 was introduced at the request of the Director of the Division of Motor Vehicles who also appeared to support the bill during the Committee hearing. A representative of the Kansas Automobile

Dealers Association also appeared in support of the bill and offered amendments intended to make the license fees created by KSA 8-2404 more uniform. The House Committee amendments generally reflect those offered by the Association. Other Committee amendments are technical in nature. According to the conferees, the fee increase will bring the Kansas license fees more in line with those of other states. It is intended that the increased fees will, in part, be used to recover the cost of background checks of applicants for licenses and to cover the costs of the National Motor Vehicle Title Information System (NMVTIS) mandated by the Anti Car Theft Act of 1992. Kansas has submitted a letter of intent to use the NMVTIS.

The House Committee added the provisions concerning trade show licenses. The amendment was proposed by the Director of Vehicles who indicated that large display trade shows attract large crowds throughout the state and generate revenues for the local economies. It was also noted that trade shows expose Kansas dealers to potential customers from outside of Kansas.

The House Committee of the Whole deletes the current provision which allows a salvage vehicle dealer who also holds a used vehicle dealer license to pay one fee for both licenses.