

SESSION OF 2004

**CONFERENCE COMMITTEE REPORT BRIEF
HOUSE BILL NO. 2604**

As Agreed to March 30, 2004

Brief *

HB 2604 amends various statutes relating to watercraft.

Definitions. These provisions would amend the existing definition of "dealer" to include a person who:

- ! for a commission or with an intent to make a profit or gain of money or other thing of value, sells, barter, exchanges, leases or rents with the option to purchase, offers, attempts to sell, or negotiates the sale of any vessel, whether or not the vessel is owned by the person;
- ! maintains an established place of business with sufficient space to display vessels at least equal in number to the number of dealer registrations the dealer has been assigned; and
- ! maintains signage easily visible from the street identifying the established place of business.

Dealer of Vessels requirements. These provisions would:

- ! prohibit a dealer of vessels from obtaining dealer certificates of number unless the applicant holds a dealer's license issued by the Secretary of Wildlife and Parks;
- ! provide that a dealer would be granted or refused a license within 30 days after the application is received by the Secretary;

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- ! provide that the license would expire on December 31, unless the license was previously suspended or revoked;
- ! provide that renewal applications received after February 15 would be considered new applications;
- ! authorize the Secretary to suspend, revoke, or refuse renewal of a person's dealer's license for reasons set forth in the bill;
- ! provide that the Secretary may deny a dealer's application within 30 days after receipt of the application;
- ! give a dealer denied a license an opportunity to be given a hearing pursuant to the Kansas Administrative Procedures Act; and
- ! allow a dealer aggrieved by a final order of the Secretary to appeal to the district court.

Certificates of Number provisions. These provisions would:

- ! allow a licensed dealer to use dealer certificates of number instead of numbers for each vessel when demonstrating, displaying, or exhibiting a vessel on waters of the state;
- ! require a dealer to make application and pay required fees before being issued a dealer certificate of number;
- ! require the dealer certificate of number to accompany the vessel and require that the number assigned by the dealer certificate be temporarily placed on the vessel while it is being demonstrated on waters of the state;
- ! allow transfer of a dealer certificate from one vessel to another owned or operated by the dealer;
- ! allow the dealer certificate of number to be used to display, demonstrate, or exhibit vessels held in inventory by the dealer;
- ! allow the dealer certificate of number to be used on the dealer's service vessel or substitute vessels owned by the dealer but

loaned to a customer when the dealer is repairing the customer's vessel;

- ! prohibit dealers in vessels required to be legally numbered from allowing these vessels to be on the waters of the state unless the original dealer certificate of number accompanies the vessel and the number assigned by the dealer certificate is temporarily placed on the vessel;
- ! prohibit the Secretary from issuing a dealer certificate of number to applicants who have not paid all personal property and sales taxes for the preceding year, including taxes assessed against vessels of the dealer;
- ! establish procedures by the Secretary to determine the number of dealer certificates a dealer needs;
- ! allow the dealer and the dealer's spouse to use vessel with dealer certificates of number;
- ! allow the dealer's employee, to use a dealer certificate of number assigned to the dealer when the use is directly connected to the business of the dealer;
- ! allow a customer to use a dealer certificate of number when operating a vessel in connection with negotiations to purchase or during a demonstration;
- ! require a dealer to file a quarterly report on or before the 20th day of each quarter, which lists all sales and transfers, including the name and address of the purchaser or transferee, date of sale, and the serial or identification number of the vessel (The Kansas Department of Wildlife and Parks (KDWP) would be required to make a copy of the report available to the Department of Revenue.);
- ! require dealers that go out business to notify the Secretary and follow other statutory requirements; and
- ! require the Secretary to adopt rules and regulations concerning dealer certificate of number applications.

Conference Committee Action. The Conference Committee agreed to the Senate's amendments except for the limitation put on a vessel's use by a dealer or a dealer's spouse. The Conference Committee agreed to return to the House position on this issue.

Background

Conferees who testified in support of the bill in the House Tourism and Parks Committee included: Representative DeCastro and Chris Tymeson, Chief Legal Counsel, Kansas Department of Wildlife and Parks. No one testified against the bill.

The Senate Committee on Natural Resources amended the bill to require vessel dealers demonstrate the payment of sales taxes as well as property taxes before the Secretary of KDWP could issue dealer certificates of number; to require the filing of a quarterly report rather than a monthly report of sales and transfers; and to require that the information regarding sales and transfers be reported to the Kansas Department of Revenue.

The fiscal note prepared by the Division of Budget states that the Department of Wildlife and Parks indicates that any fiscal effect from passage of the bill would be negligible. The removal of the limit on fees for boat registrations could increase the agency's fee revenue if the Department increases its fees beyond the current level.