

February 16, 2011

The Honorable Dwayne Umbarger, Chairperson
Senate Committee on Transportation
Statehouse, Room 441-E
Topeka, Kansas 66612

Dear Senator Umbarger:

SUBJECT: Fiscal Note for SB 120 by Senate Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 120 is respectfully submitted to your committee.

SB 120 would create the Kansas Vessel Titling Act. The bill would provide for the issuance of certificates of title for vessels in Kansas and authorize the Department of Revenue to adopt the necessary rules and regulations to implement the provisions of this act. A "vessel" is defined in the bill as any watercraft designed to be propelled by gasoline, diesel or electric machinery, oars, paddles or wind action upon a sail for navigation on the water. Upon the transfer or sale of any vessel by a person or dealer, the new owner would have 30 days from the date of transfer or sale to apply for a certificate of title with the Department of Revenue. The Director of Vehicles of the Department of Revenue would be required to design a distinctive certificate of title that is distinguishable from certificates of title issued to owners of other vehicles.

The fee for vessel title applications would be \$20, of which, \$8 would be credited to the newly created Vessel Title and Registration Fee Fund; \$6 would be credited to the newly created Vessel Enforcement Fee Fund; \$4 would be credited to the newly created Vessel Dealer Licensing Fee Fund; and \$2 would be retained by the county treasurer accepting the application. The bill would also require notices of security interest to be filed by secured parties within 30 days of the sale with a fee of \$2.50 paid to the Division of Vehicles. The bill establishes a vessel dealer license fee of \$75. Finally, the bill would allow "electronic certificates of title" for vessels, similar to other vehicles, when there is a lien or encumbrance on a vessel or if a notice of security interest has been filed with the Division of Vehicles.

Estimated State Fiscal Effect				
	FY 2011 SGF	FY 2011 All Funds	FY 2012 SGF	FY 2012 All Funds
Revenue	--	--	--	\$200,000
Expenditure	--	--	--	\$166,610
FTE Pos.	--	--	--	3.00

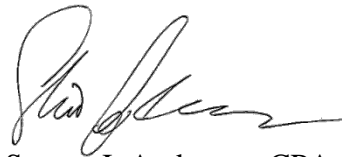
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Page 2—Fisc_Note_Sb120

The Department of Revenue estimates that SB 120 would increase state revenue by \$200,000 in FY 2012, of which \$20,000 would be retained by local county treasurers; \$80,000 would be credited to the Vessel Title and Registration Fee Fund; \$60,000 would be credited to the Vessel Enforcement Fee Fund; and \$40,000 would be credited to the Vessel Dealer Licensing Fee Fund. The Department estimates that the bill would increase expenditures by \$166,610 in FY 2012, which includes \$2,400 to program the dealer licensing system; \$97,654 for 2.00 Customer Service Representative FTE positions; \$50,908 for 1.00 Field Investigator FTE position; \$13,209 in one-time operating expenses; and \$2,439 in annual operating expenses. The Department indicates that it cannot estimate the revenue that would be generated from the \$2.50 fee assessed for notices of security interest since the numbers of vessels titled each year that will have liens is unknown. Any fiscal effect associated with SB 120 is not reflected in *The FY 2012 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", written in a cursive style.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Steve Neske, Revenue
Melissa Wangemann, Kansas Association of Counties
Dick Koerth, Wildlife & Parks