

SESSION OF 2011

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2172

As Amended by Senate Committee on
Transportation

Brief*

HB 2172 would increase the fee per hour and the minimum fee paid for inspection of a vehicle identification number (VIN) from \$10 to \$15 in FY 2012 and to \$20 beginning in FY 2013. It would allow the Kansas Highway Patrol (KHP) to receive 10 percent (changed from \$1) of the fees for each inspection conducted by a program designee or new vehicle dealer.

The bill also would remove a requirement that an applicant for renewal of a vehicle's registration sign a certification that the applicant has and will maintain financial security (insurance) on the vehicle. A signature on such a certification statement would continue to be required at a vehicle's initial registration.

Background

The Miami County Treasurer, representing the Kansas County Treasurers Association, testified in support of the original bill, regarding a signature at registration renewal, to both the House and Senate Transportation Committees. There was no other testimony.

The Senate Committee on Transportation amended the bill to add the contents of SB 218, with an amendment requested by a representative of the Kansas Automobile Dealers Association. That amendment would specify that an

*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.kslegislature.org>

employee of a new vehicle dealer authorized by the KHP to provide VIN checks could perform those checks on vehicles a new vehicle dealer purchases through a manufacturer's sponsored auction in addition to vehicles repurchased or reacquired by a manufacturer and purchased by the new vehicle dealer. At the hearing on SB 218, representatives of the KHP; the Kansas Association of Chiefs of Police, the Kansas Sheriffs Association, and the Kansas Peace Officers Association; the Kansas Automobile Dealers Association; and the Kansas Association of Counties provided proponent testimony. No other testimony was received. According to testimony, 55 city police departments and 76 county law sheriff departments also perform these inspections.

VIN inspections are performed on assembled or reconstructed vehicles, so that such a vehicle's owner can obtain a regular certificate of title and not have a nonhighway or rebuilt salvage title, and when a vehicle's owner applies for an original Kansas title. According to testimony, these inspections prevent stolen vehicles from becoming titled in Kansas. The \$10 VIN inspection fee has not been increased since the statute including the fee was enacted in 1984.

The fiscal note prepared by the Division of the Budget on the original bill (the signature at vehicle registration renewal provisions) states the bill would have no effect on state revenues or expenditures. According to the fiscal note prepared by the Division of the Budget on SB 218, the KHP indicates there are 36.0 FTE positions for the VIN Inspection Program but VIN inspection fees fund only 27 of those. The agency estimated the increase in fees would bring in additional revenue of \$542,276 in FY 2012 and \$705,875 in FY 2013. (The fiscal note says a higher estimate for FY 2012 for similar legislation, HB 2093, was incorrect.) Passage of SB 218 was expected to result in increased revenues of \$281,930 in FY 2012 for local governments. Any fiscal effect of the bill is not reflected in *The FY 2012 Governor's Budget Report*.