

SESSION OF 2011

SUPPLEMENTAL NOTE ON SENATE BILL NO. 120

As Amended by Senate Committee on
Transportation

Brief*

SB 120, as amended, would enact the Kansas Vessel Titling Act, which would be effective on January 1, 2012 and would mandate any vessel required to be numbered by the Secretary of Wildlife and Parks that is sold or transferred be titled with the Kansas Department of Revenue's Division of Vehicles within 30 days.

Vessel dealers, manufacturers, and factory representatives of manufacturers would be required to be licensed and regulated.

Of the \$20 fee for an original certificate of title, the county treasurer would retain \$2, and the remainder would be divided and credited to funds created by the Act: \$8 to the Vessel Title and Registration Fee Fund; \$6 to the Vessel Enforcement Fee Fund; and \$4 to the Division of Vehicles Dealer Licensing Fund. In accordance with appropriations, moneys in the Vessel Title and Registration Fee Fund and the Division of Vehicles Dealer Licensing Fund could be used by the Department of Revenue for certain purposes, and moneys in the Vessel Enforcement Fee Fund could be used by the Department of Wildlife and Parks. The bill also includes related fees, such as a fee of \$2.50 for a notice of security interest fees for recording liens; the amounts of fees proposed in the bill are the same as those for similar fees for vehicles.

*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>

The bill would require a vessel dealer, manufacturer, or factory representative in business in Kansas to be licensed by the Division of Vehicles. The license fee would be \$75 a year. The Act would include requirements for vessel dealers relating to the applications for licensure, their places of business, and sales reporting. The bill would allow the Director of Vehicles to deny, suspend, revoke or refuse to renew a license for reasons including financial unfitness, failing to comply with any applicable provision of the Act, and knowingly making a fraudulent sale or transaction. Anyone found to have violated applicable provisions of the Act, any rule and regulation adopted pursuant to the Act, or any applicable order of the Director would be subject to a civil penalty of not less than \$50 nor more than \$1,000 for each violation, suspension or revocation of the person's license, or both civil penalty and license suspension or revocation. The provisions relating to dealers are like those that apply to vehicle dealers and manufactured housing dealers.

The bill would authorize the Secretary of Revenue to adopt rules and regulations necessary to implement the Act.

Background

The bill was requested for introduction and supported by the Kansas County Treasurers' Association, whose representative observed that lien holders prefer that a title be provided on Kansas watercraft; and that as many as 38 other states title watercraft.

The legislation is similar to a bill that was approved by the Senate in 2010, SB 577.

The Senate Transportation Committee amended the bill at the suggestion of Senator Peterson to clarify the definition of vessel to assure that the titling provisions would not apply to toy boats generally not designed to carry human passengers; to remove a proposed \$10 "junk title fee" for certain vessels destroyed, dismantled, or sold as junk; and to make a minor technical change.

The fiscal note indicates that the bill's provisions would be expected to increase receipts by \$200,000 in FY 2012, of which \$20,000 would be retained by 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 bill also would necessitate increased expenditures of \$166,610 in FY 2012, including \$2,400 to program the dealer licensing system; \$97,654 for 2 customer service FTE positions; \$50,908 for 1 field investigator FTE position; \$13,209 in one-time operating expenses; and \$2,439 in annual operating expenses.