

Division of Vehicles
300 SW 29th Street
PO Box 2505
Topeka KS 66601-2505
Mark Burghart, Secretary



Phone: 785-296-3601
www.ksrevenue.org
Laura Kelly, Governor

Testimony

To: Chairman Proehl and members of the House Transportation Committee
From: Rod Allen, Dealer Licensing Manager, Division of Vehicles
Date: March 11, 2020
RE: Senate Bill 305

Good afternoon Mr. Chairman and members of the House Transportation Committee:

The Division of Vehicles requested the introduction of this bill.

Currently licensed dealerships are required to obtain and hold a bond in the amount of \$30,000. We're seeking to increase the amount of the bond required for licensure to \$50,000, which would require changes to K.S.A. 8-2404.

This legislation is needed to cover the increasing rise in vehicle prices. The current bond amount of \$30,000 was originally set in the 1980's when vehicle prices were much lower. The bonds are in place for the benefit of wronged retail consumers and require a court judgment to access bond funds. This would cover either a vehicle of a higher price or multiple vehicles when a dealership closes and some customers are left without proper ownership documents when a good faith purchase has occurred. The main impact of this legislation would be to the dealerships and this legislative proposal is supported by the Dealer Review Board and the Kansas Automobile Dealers Association.

We will respond to questions at the appropriate time.