

SESSION OF 2020

**SUPPLEMENTAL NOTE ON SUBSTITUTE FOR HOUSE
BILL NO. 2180**

As Recommended by House Committee on
Transportation

Brief*

Sub. for HB 2180 would increase a service fee paid for each application for vehicle registration or renewal and would apply the service fee to each title transaction.

The bill also would remove or reduce a number of other fees related to vehicle titling and registration.

Increased Fees (Sections 9 and 14)

The bill would increase the service fee paid to a county treasurer; the Division of Vehicles, Kansas Department of Revenue (Division); or a contractor of the Division for each application for vehicle registration or renewal to \$9.50 from a maximum of \$5.00. The bill also would apply the service fee to each title transaction. The bill would remove authority for a county treasurer to charge an additional registration fee related to vehicle registration facilities.

The bill would increase the fee for a permit to operate a salvage vehicle on the highways from \$1.00 to \$9.50, which the county treasurer would retain, and remove a requirement for each county treasurer to annually forward 25 percent of fees from salvage vehicle permits to the Division. It also would remove a requirement for the Division to keep a special fund for those moneys.

*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>

Deposits into Special Funds (Section 8)

The bill would require the service fee imposed by the bill to be deposited into a special fund for use in paying for necessary help and expenses for duties related to vehicle registration and titling. It would remove the requirement for the county treasurer, Division, or contractor to deposit \$0.75 of each license application, \$0.75 of each application for transfer of a license plate, and \$2.00 from each application for certificate of title into such funds; however, the bill would require the Division or contractor to deposit \$0.75 of each commercial or apportioned license application into a special fund for necessary help and expenses association with those duties..

The bill would require the service fee imposed by the bill to be deposited into such a fund.

Reducing Title Fees (Sections 2, 3, 5, 11, 14, 15, and 16)

The bill would reduce from \$10.00 to \$8.00 the fees for various title transactions, including for an original certificate of title, a title showing a security interest, a name change on a title, and a new title showing a lien had been satisfied.

Reducing Registration Fees (Sections 1, 2, 5, 6, 7, 11, 12, and 13)

The bill would reduce the fee for registering a vehicle by \$0.75. The fees reduced would include those for basic registration of any type of vehicle, a personalized license plate, transfer of a license plate to another vehicle, and replacing a license plate.

The fee reductions would not be applicable to the annual license fee for a truck or truck tractor registered as a commercial motor vehicle to which the commercial vehicle fee applies or with apportioned registration or to a trailer,

semitrailer, travel trailer, or pole trailer with an apportioned or commercial motor vehicle registration. The bill would create new registration categories for those vehicles.

Removing Miscellaneous Fees (Sections 2, 5, 8, 10, and 17)

The bill would remove fees for the following types of transactions:

- A certificate of title for a repossessed vehicle;
- Processing and mailing a copy of a title application to the lienholder;
- Replacing a registration receipt or decal;
- Registering an antique vehicle (as a separate fee); and
- Collecting sales tax on occasional sale of a vehicle.

Technical Changes

The bill would update statutes and make technical corrections.

Effective Date

The bill would become effective January 1, 2021.

Background

The bill was introduced by the House Committee on Transportation at the request of the Kansas County Treasurers Association (KCTA).

In the House Committee hearing on February 21, 2019, a KCTA representative and the county treasurers of Crawford, Johnson, Montgomery, Riley, and Wallace counties provided proponent testimony. The county treasurers of Douglas, Sedgwick, and Smith counties provided written-only proponent testimony. Proponents stated the current fee structure is complicated and difficult to explain, the bill would simplify transactions, and the proposal had been developed by a working group in which county treasurers, legislators, and employees of the Division participated. Proponents noted county treasurers act as agents of the State when providing vehicle registration and titling services, county-level duties had increased in recent years, fees retained by the counties had not increased in many years, and nearly all counties receive county tax levy support for some motor vehicle expenses, including for staff and for office equipment.

A representative of the Division provided neutral testimony and stated the Division had participated in task force meetings to discuss compensation for the county treasurers. No opponent testimony was provided.

On February 20, 2020, the House Committee amended the bill to reduce the amount of the service fee for each registration or title transaction from \$10.00 to \$9.50 and to make technical changes. The Committee also voted to place the amended contents into a substitute bill.

According to the revised fiscal note prepared by the Division of the Budget in 2019 on the bill as introduced, the Department of Revenue estimates the agency would receive additional annual revenue of \$143,680 from all funds from the fee changes in the bill. The agency would also incur expenditures of \$15,840 from all funds for programming updates to its information systems. The fiscal note states the bill would have no fiscal effect on the Kansas Department of Transportation or the State Highway Fund.