

SENATE BILL No. 99

By Committee on Transportation

1-28

Proposed Amendments to SB 99
For House Committee on Transportation
March 16, 2021
Prepared by: Office of Revisor of Statutes

1 AN ACT concerning the vehicle dealers and manufacturers licensing act;
2 relating to vehicle dealer licensing; increasing the bonding requirement
3 for vehicle dealers; amending K.S.A. 2020 Supp. 8-2404 and repealing
4 the existing section.

and 8-2435

providing for a display show
license; allowing for new vehicle
dealers and manufacturers to
participate in display shows;

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 2020 Supp. 8-2404 is hereby amended to read as
8 follows: 8-2404. (a) No vehicle dealer shall engage in business in this state
9 without obtaining a license as required by this act. Any vehicle dealer
10 holding a valid license and acting as a vehicle salesperson shall not be
11 required to secure a salesperson's license.

also repealing K.S.A. 2020
Supp. 8-2435, as amended by
section 1 of Senate Bill No. 33.

12 (b) No first stage manufacturer, second stage manufacturer, factory
13 branch, factory representative, distributor branch or distributor
14 representative shall engage in business in this state without a license as
15 required by this act, regardless of whether or not an office or other place of
16 business is maintained in this state for the purpose of conducting such
17 business.

On and after January 1, 2022,

18 (c) An application for a license shall be made to the director and shall
19 contain the information provided for by this section, together with such
20 other information as may be deemed reasonable and pertinent, and shall be
21 accompanied by the required fee. The director may require in the
22 application, or otherwise, information relating to the applicant's solvency,
23 financial standing, or other pertinent matter commensurate with the
24 safeguarding of the public interest in the locality in which the applicant
25 proposes to engage in business, all of which may be considered by the
26 director in determining the fitness of the applicant to engage in business as
27 set forth in this section. The director may require the applicant for
28 licensing to appear at such time and place as may be designated by the
29 director for examination to enable the director to determine the accuracy of
30 the facts contained in the written application, either for initial licensure or
31 renewal thereof. Every application under this section shall be verified by
32 the applicant.

33 (d) All licenses shall be granted or refused within 30 days after
34 application is received by the director. All licenses, except licenses issued
35 to salespersons, shall expire, unless previously suspended or revoked, on
36 December 31 of the calendar year for which they are granted, except that

1 the person's business primarily includes the business of broadcasting,
2 printing, publishing or advertising for others in their own names; or (3)
3 regularly or actively soliciting buyers for used motor vehicles.

4 (s) The director of vehicles shall publish a suitable Kansas vehicle
5 salesperson's manual. Before a vehicle salesperson's license is issued, the
6 applicant for an original license shall be required to pass a written
7 examination based upon information in the manual. Thereafter, any
8 salesperson licensee may be required to be re-tested at the discretion of the
9 director based upon terms and conditions established by the director.

10 (t) No new license shall be issued nor any license renewed to any
11 person to act as a salvage vehicle dealer until the division has received
12 evidence of compliance with the junkyard and salvage control act as set
13 forth in K.S.A. 68-2201 et seq., and amendments thereto.

14 (u) On and after the effective date of this act, no person shall act as a
15 broker in the advertising, buying or selling of any new or used motor
16 vehicle. Nothing herein shall be construed to prohibit a person duly
17 licensed under the requirements of this act from acting as a broker in
18 buying or selling a recreational vehicle as defined by K.S.A. 75-1212(f),
19 and amendments thereto, when the recreational vehicle subject to sale or
20 purchase is a used recreational vehicle ~~which~~ that has been previously
21 titled and independently owned by another person for a period of 45 days
22 or more, or is a new or used recreational vehicle repossessed by a creditor
23 holding security in such vehicle.

24 (v) Nothing herein shall be construed to prohibit a person not
25 otherwise required to be licensed under this act from selling such person's
26 own vehicle as an isolated and occasional sale.

27 ~~Sec. 2. K.S.A. 2020 Supp. 8-2404 is hereby repealed.~~

28 ~~Sec. 3. This act shall take effect and be in force from and after~~
29 ~~January 1, 2022, and its publication in the statute book.~~

Sec. 2. Insert Section 1 from
SB 33 (see attached)

8-2435

Sec. 3. On and after July 1, 2021,
K.S.A. 2020 Supp. 8-2435, as
amended by section 1 of Senate Bill
No. 33 is hereby repealed.

Sec. 4. On and after January 1,
2022, K.S.A. 2020 Supp. 8-2404 is
hereby repealed.

Kansas register

And renumbering sections
accordingly

SENATE BILL No. 33

By Committee on Transportation

1-14

1 AN ACT concerning motor vehicles; relating to the vehicle dealers and
2 manufacturers licensing act; providing for a display show license;
3 allowing for new vehicle dealers and manufacturers to participate in
4 display shows; amending K.S.A. 2020 Supp. 8-2435 and repealing the
5 existing section.
6

7 *Be it enacted by the Legislature of the State of Kansas:*

8 Section 1. K.S.A. 2020 Supp. 8-2435 is hereby amended to read as
9 follows: 8-2435. (a)(1) Upon proper application, on a form approved by
10 the division of vehicles, the director of vehicles may authorize the display
11 of new motor vehicles *of a new vehicle dealer* at a location other than the
12 established or supplemental place of business of a motor vehicle dealer
13 provided that the requirements of ~~subsections (i) and (n)~~ of K.S.A. 8-2404,
14 ~~and amendments thereto,~~(i) and (n) and K.S.A. 8-2405, and amendments
15 thereto, are satisfied by the motor vehicle dealer. A fee in the amount of
16 \$15 shall be paid by an applicant for each application. No sales
17 transactions, *leases or test drives* may occur at such display locations.

18 (2)(A) *Upon proper application on a form approved by the division of*
19 *vehicles, the director of vehicles may issue a license known as a temporary*
20 *display show license to a sponsor of such display show that is responsible*
21 *for organizing and operating the display show under such terms and*
22 *conditions as the director may reasonably require. A fee in the amount of*
23 *\$100 shall be paid by the sponsor applying for each application and each*
24 *participant displaying vehicles shall pay a fee of \$35 to the sponsor. The*
25 *sponsor shall remit all fees to the director. New vehicle dealers, first stage*
26 *manufacturers, second stage manufacturers, first stage converters, second*
27 *stage converters and distributors may attend and participate in the display*
28 *of new motor vehicles under this subparagraph and may display vehicles*
29 *without regard to geographical territorial assignment or relevant market*
30 *area, as defined in K.S.A. 8-2430, and amendments thereto. New motor*
31 *vehicle dealers participating in a display show may do so without the*
32 *approval of any first stage manufacturer, second stage manufacturer, first*
33 *stage converter, second stage converter or distributor who may not bar or*
34 *treat such new vehicle dealer adversely for participating in a display*
35 *show. No sales or lease transactions may occur at a display show, but test*
36 *drives for purposes other than the sale or lease of a vehicle may be made*

1 *to demonstrate the vehicle and its features.*

2 *(B) For purposes of this paragraph, "display show" means a display*
3 *of new motor vehicles that does not fall under the description set forth in*
4 *subsection (a)(1) or K.S.A. 8-2444(a), and amendments thereto.*

5 *(b) Authorization granted by the director under ~~this section~~*
6 *subsection (a)(1) shall be granted only to motor vehicle dealers licensed by*
7 *the director and to no other person, natural or otherwise. The authorization*
8 *shall be for a period not to exceed 15 consecutive days unless otherwise*
9 *authorized by the director of vehicles. A sponsor under subsection (a)(2) is*
10 *not required to be a licensed new vehicle dealer, but participating new*
11 *vehicle dealers must be licensed motor vehicle dealers or the participant*
12 *must be a first stage manufacturer, second stage manufacturer, first stage*
13 *converter second stage converter or distributor for such manufacturers or*
14 *converter. Such type of participant is not required to be licensed to*
15 *participate.*

16 *(c) Authorization to display under this section shall not be granted for*
17 *events for which a temporary trade show license under K.S.A. 2020 Supp.*
18 *8-2444, and amendments thereto, would be required.*

19 *(d) The director may deny an application for a license under this*
20 *section if the director:*

21 *(1) Has probable cause to believe that the applicant's request for a*
22 *license should be made under the provisions of K.S.A. 2020 Supp. 8-2444,*
23 *and amendments thereto; or*

24 *(2) the request for a license under this section is being made to avoid*
25 *compliance with the provisions of K.S.A. 2020 Supp. 8-2444, and*
26 *amendments thereto.*

27 *(e) The provisions of this section shall be a part of and supplemental*
28 *to the vehicle dealers and manufacturers licensing act.*

29 *Sec. 2. K.S.A. 2020 Supp. 8-2435 is hereby repealed.*

30 *Sec. 3. This act shall take effect and be in force from and after its*
31 *publication in the statute book.*