



KANSAS AUTOMOBILE DEALERS ASSOCIATION

March 11, 2021

To: The Honorable Rich Proehl, Chairman and Members of the House Transportation Committee

From: Don L. McNeely, President

Re: SB 99 - AN ACT concerning the vehicle dealers and manufacturers licensing act; relating to vehicle dealer licensing; increasing the bonding requirement for vehicle dealers

Good Afternoon, Chairman Proehl and member of the Committee. My name is Don McNeely and I serve as the President and CEO of the Kansas Automobile Dealers Association (KADA). I appear before you today in support of SB 99, which would increase the surety bond associated with the Kansas dealer license from \$30,000 to \$50,000.

With average new vehicle retail sales price now being \$35,608 and used vehicle retail sales price being \$20,586, we believe increasing the surety bond amount to \$50,000 would be appropriate. Also, in the unofficial survey I recently performed, it appears that \$50,000 is the average surety bond amount for licensure across the country, including the states of Missouri and Nebraska.

Prior to the Kansas Division of Motor Vehicles introducing this proposal, it was discussed and approved by the Kansas Dealers Review Board for consideration.

At this time, I would like to respectfully request consideration of an amendment to SB 99 when the Committee works this bill.

Committee members will recall SB 33 heard by this Committee earlier this year that would clear the way of statutory impediments to move the KC Auto Show from Missouri over to Kansas. That bill was passed by the Senate earlier this session on a vote of 39-0 and the House sent the bill to the Governor last week on a vote of 124-0. Unfortunately, due to mixed signals between the Kansas City dealers association and KADA, we failed to draft the bill to take effect upon publication in the Kansas Register rather than upon publication in the Statute Book as it was approved.

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The Automobile Dealers Association of Greater Kansas City is hopeful of holding their 2021 event the weekend of June 11-13, which is three weeks before SB 33 becomes law (assuming it is signed into law by the Governor).

Accordingly, we have visited with Chairman Proehl, the Division of Motor Vehicles as the lead proponent of the bill before you today as well as legislators and the Administration and would like to respectfully request the addition of the appropriate language from SB 33 with an enactment date of upon publication in the Kanas Register be amended into SB 99 when your consider this bill.

Both SB 33 and SB 99 were Consent Calendar bills in the Senate, with SB 99 passing by a vote of 36-1 and the previously cited unanimous votes of SB 33. We believe both issues would be seen as noncontroversial and would correct the inadvertent enactment date in SB 33 in a transparent and expeditious manner that would be acceptable to both chambers of the Legislature.

We respectfully appreciate the consideration and accommodation of this request at your earliest convenience.

On behalf of the Kansas Automobile Dealers Association, I thank you for the opportunity to appear to appear this morning and provide some comments in support of SB 99.