

January 21, 2021

The Honorable Mike Petersen, Chairperson
Senate Committee on Transportation
Statehouse, Room 345-S
Topeka, Kansas 66612

Dear Senator Petersen:

SUBJECT: Fiscal Note for SB 33 by Senate Committee on Transportation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 33 is respectfully submitted to your committee.

SB 33 would allow the Director of Vehicles of the Kansas Department of Revenue to authorize the display of new vehicles of a new vehicle dealer at a location other than the establishment or supplemental place of business of a vehicle dealer. The bill would require the sponsor organizing and operating the display show to apply to the Division of Vehicles for issuance of a temporary display show license upon payment of an \$100 application fee for each application. Each participant displaying vehicles would be required to pay a fee of \$35 to the sponsor. All fees would be remitted to the Director of Vehicles.

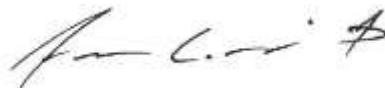
The bill provides that new vehicle dealers, first stage manufacturers, second stage manufacturers, first stage converters, second stage converters and distributors may attend and participate in the display of new motor vehicles and may display vehicles without regard to geographical territorial assignment or relevant market area. The bill provides that new motor vehicle dealers participating in a display show may do so without the approval of any first stage manufacturer, second stage manufacturer, first stage converter, second stage converter or distributor who may not bar or treat such new vehicle dealer adversely for participating in a display show.

The bill would prohibit sales or lease transactions from occurring at a display show, but test drives for purposes other than the sale or lease of a vehicle may be made to demonstrate the vehicle and its features. The bill would define a "display show" as a display of new motor vehicles that does not fall under the description set forth in subsection (a)(1) of the bill or KSA 8-2444(a), along with amendments. Further, the bill would provide that a sponsor would not be required to

be a licensed new vehicle dealer but participating new vehicle dealers must be licensed motor vehicle dealers or the participant must be a first stage manufacturer, second stage manufacturer, first stage converter second stage converter or distributor for such manufacturers or converter.

The Department of Revenue estimates SB 33 would increase its expenditures by \$5,090 in FY 2022, which includes \$2,500 for 50 hours of programming to modify the Motor Vehicles Registration System; \$650 for 13 hours of project management; \$1,500 for 30 hours of systems testing; and \$440 for changes to the dealer's system including testing and developing a form. The Department estimates the bill would increase revenues to the State Highway Fund by approximately \$1,000 annually. The Any fiscal effect associated with SB 33 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam Proffitt", with a stylized flourish at the end.

Adam Proffitt
Director of the Budget

cc: Lynn Robinson, Department of Revenue