

SESSION OF 2021

SUPPLEMENTAL NOTE ON SENATE BILL NO. 33

As Recommended by Senate Committee on
Transportation

Brief*

SB 33 would authorize the Director of Vehicles (Director), Kansas Department of Revenue, to issue a temporary display show license to a sponsor of a motor vehicle display show. A display show sponsor, which the bill would not require to be a licensed new vehicle dealer, would be responsible for organizing and operating the display show under such terms and conditions as the Director may reasonably require. A fee of \$100 would be paid by the sponsor upon application, and each show participant displaying vehicles would pay \$35 to the sponsor. All fees would be remitted to the Director.

The bill would authorize new vehicle dealers, first stage manufacturers, second stage manufacturers, first stage converters, second stage converters, and distributors (manufacturers and distributors) to attend and participate in the display of new motor vehicles at a temporary display show without regard to geographical territorial assignment or relevant market area. The bill would require participating new vehicle dealers to be licensed motor vehicle dealers, but manufacturers and distributors would not be required to be licensed to participate. The bill would authorize participation by new motor vehicle dealers without the approval of any manufacturer or distributor, and it would prohibit a manufacturer or distributor from barring or treating a new vehicle dealer adversely for participating in a display show.

*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>

The bill would prohibit sales or lease transactions at a display show but would authorize test drives for purposes other than sale or lease, to demonstrate the vehicle and its features.

The bill also would add leases and test drives to sales transactions as activities that could not occur at the temporary location of a new vehicle dealer that is not a display show.

Background

The bill was introduced by the Senate Committee on Transportation at the request of a representative of the Kansas Automobile Dealers Association (KADA).

Senate Committee on Transportation

In the Senate Committee hearing, the president of the KADA provided **proponent** testimony. He stated the bill would allow the display and demonstration of new vehicles during an auto show and would allow the Kansas City Auto Show to be moved from downtown Kansas City, Missouri, to the Kansas Speedway. Written-only proponent testimony was provided by the chief operating officer of the Automobile Dealers Association of Greater Kansas City, who also is the producer of the Kansas City International Auto Show.

No **opponent** or neutral testimony was provided.

The Senate Committee recommended the bill be placed on the Consent Calendar.

Fiscal Information

According to the fiscal note prepared by the Division of the Budget, the Department of Revenue estimates enactment of the bill would increase its expenditures for FY 2022 by

\$5,090, primarily for programming and system testing, and would increase revenues to the State Highway Fund by approximately \$1,000 annually. Any fiscal effect is not reflected in *The FY 2022 Governor's Budget Report*.

Keywords: Transportation; motor vehicle; licensure; display show permit; auto show