

SESSION OF 2013

SUPPLEMENTAL NOTE ON SENATE BILL NO. 164

As Amended by Senate Committee on
Transportation

Brief*

SB 164, as amended, would allow the Department of Revenue (DOR) to contract with a contractor (defined in the bill as a person, partnership, corporation, local or county government, county treasurer, or other state agency) for any services associated with vehicle functions. The bill would allow DOR to appoint contractors to perform vehicle functions, defined in the bill as services relating to the application, processing, auditing, or distribution of original or renewal motor vehicle registrations, certificates of title, driver's licenses, and division-issued identification cards; the term could include certain personal property taxation duties.

For services related to the application, processing, auditing and distribution of vehicle registrations, the bill would require DOR first to determine that a county treasurer has failed to maintain minimum standards of practice and service, as determined by the DOR, before a contractor other than a county treasurer could be appointed. Any order of the DOR suspending or revoking a county treasurer's authorization to perform vehicle functions would be required to include requirements for the county treasurer's reinstatement.

The Secretary of Revenue would be authorized to adopt rules and regulations to implement and administer contracts with county treasurers and contractors to perform vehicle functions, to establish minimum standards and practices for vehicle functions, to require criminal background checks, if needed, to establish and set limits on additional non-statutory

*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>

fees that a contractor could charge for vehicle functions, and to create processes for suspending or revoking a treasurer's ability to perform vehicle functions on behalf of the DOR.

Background

The bill was introduced by the Senate Transportation Committee at the request of the Department of Revenue. In the Senate Transportation Committee, the Director of Vehicles testified in support of the bill. The Director explained that the bill was introduced pursuant to the recommendations made by the 2012 Governor's DMV Modernization Task Force. The president of the Kansas County Treasurers Association provided written testimony in support of the bill.

A representative of AAA Allied Group offered neutral testimony on the bill. There was no opponent testimony.

The Senate Committee amended the bill to remove the requirement that county treasurers first must fail to maintain minimum standards of practice and service, as determined by the DOR, before the county treasurer could appoint a contractor to perform vehicle functions relating to certificates of title, driver's licenses, division-issued identification cards and personal property taxation duties. Further amendments were made to remove "motor" from all references to "motor vehicle" to make the bill consistent with statutory references to "vehicle."

The fiscal note prepared by the Division of the Budget on the original bill indicated that passage of the bill would have no fiscal effect.