

SESSION OF 2017

**SECOND CONFERENCE COMMITTEE REPORT BRIEF  
SENATE BILL NO. 89**

As Agreed to April 6, 2017

**Brief\***

SB 89 would amend law relating to the collection of certain vehicle title and registration fees and the remittance of such fees. The bill also would increase fines for certain seat belt violations and direct related moneys to the Seat Belt Safety Fund created by the bill.

***Collection and Remittance of Certain Vehicle Registration Fees***

***Service Fee for Title Application to Lienholder***

The bill would authorize the Division of Vehicles (Division) or a contractor to collect a \$1.50 service fee for processing and mailing a copy of a title application to a lienholder when the vehicle is subject to a lien. Current law permits only the county treasurer to collect such service fee.

***Payment for Fees for Registration and Certificates of Title***

The bill would authorize the Division or a contractor of the Division, as well as a county treasurer, to be paid fees for registration and certificates of title. Current law authorizes only the county treasurer of the county in which the applicant

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\*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. Conference committee report briefs may be accessed on the Internet at <http://www.kslegislature.org/kldr>

for registration resides or has an office or principal place of business within Kansas to collect these fees. The bill would remove the specific requirements of the county treasurer to issue and deliver copies of receipts and instead specify the Division, contractor, or county treasurer would be required to issue a receipt for such fees paid.

*Deposits to Special Fund*

The bill would require the Division or contractor, in addition to the county treasurer already specified in law, to deposit \$0.75 out of each license application, \$0.75 out of each application for transfer of a license plate, and \$2.00 out of each application for a certificate of title, collected under the bill, in a special fund. The special fund would be appropriated for use of the Division or contractor, in addition to the county treasurer as in current law, in paying for necessary help and expenses incidental to the administration of duties pursuant to the bill. The bill also would specify that the county treasurer would receive extra compensation for services performed in administering certain registration-related duties in current law. (The bill would not amend the amounts of that compensation.)

*Remittance of Fees to the Secretary of Revenue*

The bill would require the Division or contractor, in addition to the county treasurer as in current law, to remit the remainder of all registration and certificates of title fees collected, together with the original copy of all applications, to the Secretary of Revenue.

*Certificate of Title Fee for a Repossessed Vehicle*

The bill would direct \$3 charged for each certificate of title for a repossessed vehicle to the contractor or county treasurer who processed the application. Under current law,

the fee is remitted to the Secretary of Revenue and deposited into the Repossessed Certificates of Title Fee Fund. (The bill would not amend the amount of the fee.) The bill would direct moneys remaining in the Repossessed Certificates of Title Fee Fund to the Division of Vehicles Operating Fund and would abolish the Repossessed Certificates of Title Fee Fund.

#### *Commercial Motor Vehicles*

Fees collected by the Division for commercial motor vehicles or vehicles that are part of a commercial fleet would be remitted to the State Treasurer, who would be required to credit such amounts to the Commercial Vehicle Administrative Fund.

#### *Additional Service Fee*

In addition to the annual vehicle registration fees specified in the bill, any applicant for vehicle registration or renewal would be required to pay a service fee in the amount of \$5 to the Division or contractor of the Division, as well as to the county treasurer as in current law. The Division or contractor, as well as the county treasurer as in current law, would be required to deposit all amounts received in a special fund to be used for all purposes for which the fund has been appropriated by law.

#### *Seat Belt Fines and Seat Belt Safety Fund*

The bill would increase the fine from \$10 to \$30 for a person 18 years and older who is not wearing a seat belt in a passenger car when that car is in motion. The bill would direct \$20 from each \$30 fine for violation of a city ordinance requiring seat belt use by those 18 and older to the Seat Belt Safety Fund, which would be established by the bill and administered by the Secretary of Transportation. The bill also

would direct 2.20 percent of all fines, penalties, and forfeitures received from clerks of the district court to the Seat Belt Safety Fund and adjust percentages to certain other specified funds also receiving such distributions by amounts ranging from 0.05 percent to 0.24 percent.

All expenditures of moneys in the Seat Belt Safety Fund would be used for the promotion of and education on occupant protection among children, including, but not limited to, programs in schools in Kansas. These expenditures would be made in accordance with appropriations acts. The Secretary of Transportation would be authorized to accept gifts, grants, donations, and bequests to the Seat Belt Safety Fund. The Secretary of Transportation would remit all moneys received to the State Treasurer, who would then deposit the entire amount to the credit of the Seat Belt Safety Fund.

### **Conference Committee Action**

The second Conference Committee agreed to the provisions of SB 89, as amended by the House Committee on Transportation (which includes provisions introduced in SB 88); agreed to an amendment to SB 89 transferring remaining moneys from a fund that would be abolished by the bill; and agreed to add the contents of HB 2076, as amended by the Senate Committee on Transportation, regarding increasing the fine for certain seat belt violations and directing the increase to a newly established Seat Belt Safety Fund.

### **Background**

The bill would include provisions of three bills: SB 89, SB 88 (added to SB 89 by the House Committee on Transportation), and HB 2076.

***SB 89—Collection and Remittance of Certain Vehicle Registration Fees***

SB 89 was introduced by the Senate Committee on Transportation at the request of the Kansas Department of Revenue (KDOR). In the Senate Committee and House Committee on Transportation hearings, the Manager of the Commercial Motor Vehicle (CMV) Office for the Division testified in favor of the bill. The representative stated current law permits only county treasurers to be the recipients of fees associated with commercial vehicle registration, even though CMV office staff are completing the registration work. The representative noted the bill would allow the entity completing the work to retain the associated administrative fees. She stated allowing the Division to retain the fees associated with registrations by the CMV Office will provide funding needed to maintain and enhance registration systems.

No other testimony was provided.

The House Committee amended the bill to incorporate provisions of SB 88, regarding the fee for each certificate of title for a repossessed vehicle and repealing the statute establishing the Repossessed Certificates of Title Fee Fund. Both bills would amend KSA 2016 Supp. 8-145. [Note: The second Conference Committee retained this amendment.]

According to the fiscal note prepared by the Division of the Budget on SB 89, as introduced, KDOR estimates enactment of the bill would increase revenue to the Commercial Vehicle Administrative Fund by approximately \$410,000 per year. KDOR indicates enactment of the bill could affect the amount of collected transaction fees KDOR sends to counties. KDOR notes that \$499,257 was sent to counties in calendar year (CY) 2014 and \$411,695 was sent to counties in CY 2015. Additional information provided to the House Committee indicated the amount for CY 2016 was \$297,709. Any fiscal effect associated with enactment of SB 89 is not reflected in *The FY 2018 Governor's Budget Report*.

### ***SB 88—Repossessed Title Application Fees***

SB 88 was requested by the Division, and a Division official testified in support of the bill at the Senate Committee on Transportation and House Committee on Transportation hearings. She stated, as of 2016, the Division no longer processes repossessed title applications; those applications are processed for automobile dealers through a third-party vendor and for others by county treasurers. The president of both the Kansas Automobile Dealers Association and the Kansas Vehicle Title Services Company, LLC, submitted written testimony in support of the bill.

No other testimony was submitted.

The \$3 fee to obtain a certificate of title for a repossessed vehicle is established in KSA 2016 Supp. 8-135, which would not be amended by the bill.

According to the fiscal note prepared by the Division of the Budget on SB 88, as introduced, KDOR indicates enactment of SB 88 would decrease revenue to the Repossessed Certificates of Title Fee Fund by approximately \$52,000 annually. Counties or contractors would retain those revenues and would experience a similar amount of increased revenues. [Note: The bill would abolish this fund.] KDOR also states it would incur costs of \$4,712 for programming changes to the motor vehicle system. Any fiscal effect associated with enactment of SB 88 is not reflected in *The FY 2018 Governor's Budget Report*.

### ***HB 2076—Seat Belt Fines and Seat Belt Safety Fund***

HB 2076 was requested by a representative of AAA Kansas. In the House Committee on Transportation hearing, proponent testimony was received from a representative of AAA Kansas; two representatives of the Seatbelts Are For Everyone (SAFE) program; two private citizens; the Executive Director of the Kansas Sheriffs' Association; a representative

of the Kansas Emergency Nurses Association, the Kansas State Nurses Association, and the Safe Kids Kansas Coalition; and a representative of the Kansas Association of Chiefs of Police and the Kansas Peace Officers Association. Written-only proponent testimony was received from the Trauma Medical Director and the Chief Nursing Officer at Stormont Vail Health, the Secretary of Health and Environment, and representatives of Kansas Action for Children, the Kansas Emergency Medical Services (EMS) Association, the Kansas Highway Patrol (KHP), and Injury Free Coalition for Kids. The proponents provided information on the SAFE program and its effectiveness in increasing seat belt use among Kansans, particularly teens, stating the bill would allow the SAFE program to be presented in all Kansas high schools and presentations made to younger children. They also cited the costs of preventable injuries and deaths associated with crashes in which vehicle occupants were not wearing seat belts and the benefits they witnessed to use of seat belts.

The Executive Director of the Kansas Board of EMS provided written-only neutral testimony, requesting adjustments be made to the percentages of fines directed to the EMS Revolving Fund and to the Trauma Fund.

No opponent testimony was provided.

In the Senate Committee on Transportation hearing, proponent testimony was received from two representatives of AAA Kansas; two representatives of the SAFE program; two private citizens; the Executive Director of the Kansas Sheriffs' Association; a representative of the Kansas Emergency Nurses Association, the Kansas State Nurses Association, and the Safe Kids Kansas Coalition; and a representative of the Kansas Association of Chiefs of Police and the Kansas Peace Officers Association. Written-only proponent testimony was received from the Trauma Medical Director and the Chief Nursing Officer at Stormont Vail Health, the Secretary of Health and Environment, a representative of Kansas Action for Children, and the KHP.

The Executive Director of the Kansas Board of EMS provided written-only neutral testimony. No opponent testimony was provided.

The Senate Committee adopted a technical amendment requested by the revisor. [Note: The second Conference Committee retained this amendment.]

Law that would not be amended by the bill states no court costs are associated with this fine and no court shall report violation to KDOR.

According to the revised fiscal note prepared by the Division of the Budget on HB 2076, as introduced, reductions related to adjustments in percentages to various funds receiving portions of fines, penalties, and forfeitures would be offset partially or in full by new revenues related to the increase in the fine amount. A precise estimate of the number of seat belt violations is not available; however, according to the fiscal note, it is estimated between 18,000 and 20,000 seat belt violations would need to occur to offset the reductions to the distribution percentages. According to KHP annual reports, seat belt violations cited by KHP troopers numbered 23,275 in calendar year (CY) 2012; 23,247 in CY 2013; 21,353 in CY 2014; and 14,989 in CY 2015. Fines resulting from KHP and county sheriff citations would be distributed *via* the percentages listed in the bill. No estimate of city seat belt ordinance violations or citations issued by sheriff officials is included in the fiscal note. The Kansas Department of Transportation estimates Seat Belt Safety Fund receipts of \$383,058 for FY 2018 and approximately \$400,000 for FY 2019. Any fiscal effect associated with HB 2076 is not reflected in *The FY 2018 Governor's Budget Report*.

fees; county treasurers; Division of Vehicles; seat belts; fines

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