

CORRECTED
SESSION OF 2019

SUPPLEMENTAL NOTE ON SENATE BILL NO. 97

As Amended by Senate Committee on
Transportation

Brief*

SB 97 would authorize registration of certain rental vehicles in fleets and issuance of permanent license plates to reflect that registration.

To qualify for this type of registration, the bill would require the person to register more than 250 motor vehicles subject to an excise tax on the gross receipts received from rental or lease for a period of time not exceeding 28 days (rental vehicle excise tax). The bill would require such registration to be submitted electronically.

The bill would require the Division of Vehicles (Division), Department of Revenue (Department), to register and issue a license plate for any qualifying vehicle upon payment of all applicable registration fees. The bill would require the Division to issue permanent license plates designed to remain with a motor vehicle as long as the vehicle remains part of the qualifying fleet. The bill would require the license plate to be distinct from other license plates and no year or date be listed on the license plate. The bill would require the Division to issue a registration receipt for the vehicle, valid while the rental vehicle excise tax applies to the vehicle.

The bill would authorize transfer of a license plate and any unused registration fees to any other motor vehicle subject to the rental vehicle excise tax and owned by the same person.

*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 authorize the Division to impose a fee not exceeding \$1.00 for each such registration. Those fees would be remitted to the State Treasurer for credit to the Fleet Rental Vehicle Administration Fund that would be created by the bill, for purposes of funding the administrative costs for registering and tagging fleet rental vehicles.

The bill would make technical amendments to remove outdated language.

The bill would become effective January 1, 2020.

Background

The bill was introduced by the Senate Committee on Transportation at the request of a representative of the Enterprise Leasing Company of Kansas (Enterprise).

At the Senate Committee hearing, representatives of Enterprise and the Division provided proponent testimony. They stated digital production of license plates, begun in August 2018, means a license plate might not be received by the vehicle owner for as long as 30 days, creating logistical problems for the owner of the rental vehicle that could, by then, be in another city or state. The Division representative stated Division personnel would handle these registrations and issuing the permanent license plates. No neutral or opponent testimony was provided.

The Senate Committee adopted a technical amendment requested by the revisor.

No fiscal note was available when the Senate Committee took action on the bill. According to the fiscal note prepared by the Division of the Budget and subsequently available, the Department estimates the bill would require \$86,228 from special revenue funds for FY 2020 to hire 2.0 new full-time equivalent positions, develop the new license plate, and program its system. The Department is unable to

estimate the amount of revenue it would receive from the fee. Any fiscal effect associated with enactment of the bill is not reflected in *The FY 2020 Governor's Budget Report*.