

Vehicle Dealer Bonding; Permit for Motor Vehicle Display Show; House Sub. for SB 99

House Sub. for SB 99 amends law regarding vehicle dealer license requirements and vehicle display shows.

The bill will be in effect upon publication in the *Kansas Register*.

Dealer License Requirements

The bill increases the bond required for licensure as a dealer of used or new vehicles from \$30,000 to \$50,000, on and after January 1, 2022.

Vehicle Display Show

The bill authorizes 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 requires to be a licensed new vehicle dealer, will be responsible for organizing and operating the display show under such terms and conditions as the Director may reasonably require. The sponsor will pay a fee of \$100 upon application, and each show participant displaying vehicles will pay \$35 to the sponsor. All fees will be remitted to the Director.

The bill authorizes 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 requires participating new vehicle dealers to be licensed motor vehicle dealers, but manufacturers and distributors will not be required to be licensed to participate. The bill authorizes participation by new motor vehicle dealers without the approval of any manufacturer or distributor, and it prohibits a manufacturer or distributor from barring or treating a new vehicle dealer adversely for participating in a display show.

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

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

[*Note:* Provisions regarding vehicle display shows are the same of those of SB 33 except that they become effective upon publication in the *Kansas Register*.]