

Testimony of Michael Kotary
Enterprise Leasing Company of KS, LLC
House Transportation Committee
Senate Bill 97
March 12th, 2019

Mr. Chairman and members of the Committee,

I appreciate the opportunity to present our support for Senate Bill 97. My Name is Michael Kotary and I am appearing on behalf of Enterprise Leasing Company of KS, LLC. Enterprise has over 500 employees who live and work in Kansas and a fleet of more than 6,000 vehicles in the state.

In August of 2018 the Kansas DMV implemented a license plate system that created many efficiencies for the Counties and the State by not having to maintain an inventory of license plates. However, these changes had some unintended consequences for rental car companies. During the new registration process a Temp tag is issued for every new vehicle that requires a new license plate. A new license plate is then mailed arriving in approximately 7-10 business days.

Through many years of experience registering vehicles in Kansas we know how busy all of the county DMVs can be. Normally, it may take anywhere from 2 to 10 business days for the county to process our registrations. So, the actual amount of time it can take to receive a license plate may well be 9 days to 20 days. This is a very conservative estimate.

The use of Temp tags in a rental car fleet is extremely difficult due to the amount of car movement to different locations. A customer may rent a car in Topeka but return that vehicle to a different location anywhere in the country making it extremely difficult to get the new license plate on the vehicle. Because of this we realistically cannot rent a car until we have the correct tags from the state. 6,000 vehicles sitting on the ground throughout the year waiting 9-20 days for a license plate to arrive would be very detrimental to our business. Every day these vehicles are not being used is lost revenue and increase expense due to depreciation and interest. The depreciation and interest expense alone on that many cars would be between 1 and 2 million dollars a year.

Passing Senate Bill 97 and creating a separate rental fleet plate would be beneficial to both the State of Kansas and to rental car companies. Being able to work directly with the Kansas DMV and self-issue our license plates would remove any strain we put on the county DMVs as we would submit our paperwork electronically to the state.

All Registration fees will continue to be paid on each registration. I want to stress to each member of this committee that this change would in no way affect the amount of excise tax that is collected along with how that money is distributed to the counties where we operate. Excise tax is collected based on the county where the rental transaction takes place and not by the license plate that is currently on the vehicle. So, for example any vehicle that is on rent at our Leavenworth rental branch would charge excise tax even if a car is plated in another state. Leavenworth County would then receive the tax collected.

Thank you for your time. I would encourage your support for this bill. If you have any questions or need any additional information, please feel free to contact me directly.

Michael Kotary

Group Fleet Manager

Enterprise Leasing Company of KS, LLC

Michael.kotary@erac.com