



KANSAS AUTOMOBILE DEALERS ASSOCIATION

February 13, 2020

To: The Honorable Rob Olson, Chairman and Members of the Senate Financial Institutions & Insurance Committee

From: Pat Barnes, General Counsel

Re: SB 352 - AN ACT concerning transportation; relating to peer-to-peer vehicle sharing; insurance requirements; liability; recordkeeping; consumer protection; enacting the peer-to-peer vehicle sharing program.

Good morning, Mr. Chairman and Members of the Committee, I am Pat Barnes, general counsel for the Kansas Automobile Dealers Association.

Our view of SB 352 is fairly straight forward and one which we believe can be resolved for us as a regulated industry with a simple exception. Our members have a wide variety of customer and business arrangements that we feel will be impacted such that it would insert a level of uncertainty in whether or not we need to address the requirements of this bill in common transactions that we enter. Our concern lies in the definitions setting forth peer to peer arrangements and then follows with how those relationships are handled, what is required, liability determinations and things of that nature.

More specifically, we have loaner and demonstrator arrangements with our employees and customers in a variety of circumstances ranging from short term use of vehicles to longer term arrangements. We also have relationships with customers and our business models of such a variety that it becomes difficult for us to determine where this proposed law might impact us. This is particularly so with respect to how we place our insurance, the requirements that would need to be dealt with and how indemnity obligations are handled, particularly with employee related workers compensation matters and how they are dealt with in situations involving third party liability assignments with collisions. We address these matters in our current model and the law has a basis for doing so which is not uncertain.

There may be merit outside of our regulated industry in defining this segment of business. However, as a broad sector of the automobile industry we also think common business practices and the regulations and laws under which the automobile industry operates are sufficient for us. As such, we have proposed a simple solution for our concerns. We would suggest amending the bill to exempt those who are subject to the Dealers and Manufacturers Licensing Act in Kansas. The amendment would read as follows and could either be added to Section 1 of the bill or as a new section:

This Act shall not apply to or be deemed applicable to licensees under the vehicle dealers and manufacturers licensing act, K.S.A. 8-2401 et seq., and amendments thereto.

Thank you for your time and attention today. I would be happy to respond to any questions you may have.

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