

Testimony of Eric Kremer
Enterprise Leasing Company of KS, LLC
Senate Transportation Committee
Senate Bill 97
February 19th, 2019

Mr. Chairman and members of the Committee,

I appreciate the opportunity to present our support for Senate Bill 97. My Name is Eric Kremer 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, we discovered 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.

I know from my 12 years of experience registering vehicles in Kansas how busy all of the county DMV's can be and 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.

The use of Temp tags in a rental car fleet is extremely difficult due to the amount of movement of the cars in our fleet. 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. Sitting 7,000 cars on the ground throughout the year waiting 9-20 days for a license plate to arrive would be very detrimental to our business as every day these vehicles are not being used is lost revenue and increase expense due to depreciation and interest.

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 by being able to work directly with the Kansas DMV and self-issue our license plates and remove any strain that we put on the county DMV's as we would submit our paperwork electronically to the state.

All Registration fees will continue to be paid on each car. And this change would in no way affect the amount of the additional excise tax that is collected and paid to the counties where we operate. We

collect excise tax 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.

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

Eric Kremer

Vehicle Acquisitions Manager

Enterprise Leasing Company of KS, LLC

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