

Division of Vehicles  
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Mark Burghart, Secretary



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## Testimony

To: Chairman Petersen and members of the Senate Transportation Committee  
From: Lee Ann Phelps, Vehicle Services Manager, Division of Vehicles  
Date: February 11, 2021  
RE: Senate Bill 99

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Good morning Mr. Chairman and members of the Senate Transportation Committee:

Thank you for the opportunity to present as a proponent on SB 99. This legislative proposal was requested by the Division of Vehicles. You may recall a similar bill was proposed last year and passed out of Senate 39-0 before the pandemic.

Currently, licensed dealerships are required to obtain and hold a bond in the amount of \$30,000. We're seeking to increase the amount of the bond required for licensure to \$50,000, which would require changes to K.S.A. 8-2404.

This legislation is needed to cover the increasing rise in vehicle prices. The current bond amount of \$30,000 was originally set in the 1980's when vehicle prices were much lower. The bonds are in place for the benefit of wronged retail consumers and require a court judgment to access bond funds. The bond increase would aid in covering a vehicle of a higher price or multiple vehicles when a dealership closes and some customers are left without proper ownership documents when a good faith purchase has occurred. The main impact of this legislation would be to the dealerships and this legislative proposal is supported by the Dealer Review Board and the Kansas Automobile Dealers Association.

I will respond to questions at the appropriate time.