

COUNTY CLERK OFFICE MODERNIZATION TASK FORCE

Minutes of the 4th Meeting of the 2021 Interim

September 22, 2021

Call to Order and Roll Call

The 4th meeting of the County Clerk Office Modernization Task Force was held on Wednesday, September 22, 2021, at 11:00 AM, in Room 149 of the Capitol Annex. Senator Jason Howell, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Jason Howell, Co-Chair; Representative Michael Meredith, Co-Chair; Senators Robby Mills, Robin L. Webb, and Phillip Wheeler; Representatives Randy Bridges, Patrick Flannery, and Ashley Tackett Laferty.

Guests: Dan Pullium, Polly Penna, Colleen Borys, Sarah Hunsicker, Cox Automotive; Jason Wilson, President, Kentucky Auto Dealers Association; Heather Stout, Executive Director, Kentucky Transportation Cabinet; and John Eiler, Project Manager, Kentucky Transportation Cabinet.

LRC Staff: Roberta Kiser, Randall Roof, and Chelsea Fallis.

Approval of Minutes from August 25, 2021 Meeting

Senator Wheeler motioned to approve the August 25, 2021, minutes, seconded by Representative Bridges, and passed by voice vote.

Overview of Ohio's Electronic Motor Vehicle System

Jason Wilson, President, Kentucky Auto Dealers Association (KADA), described the economic impact of Kentucky automobile sales and the effect COVID-19 had on the industry. Mr. Wilson added that having an electronic titling and lien system in place would allow for dealer personnel to effectively produce and file vehicle registrations and transfer title documents. KADA has had productive conversations with Kentucky's county clerks about the advances being made in surrounding states utilizing an electronic system.

Dan Pullium, Senior Government Affairs Manager, Cox Automotive, described the electronic solutions offered by Cox Automotive for the modernization of motor vehicle registration and titling systems. Cox Automotive currently serves 16 states and each system is customized based on state law and requirements allowing for approximately 60 million titles to be processed daily with approximately 20,000 dealers. Mr. Pullium stated that the

objective of installing electronic registration and titling systems is to preserve and protect the role of the county clerk.

In response to Representative Meredith, Mr. Pullium stated that in Ohio there are two competitors to Cox Automotive and approximately five national vendors in surrounding states that produce electronic systems.

In response to Representative Bridges, Mr. Wilson stated that the cost associated with modernizing current technology could be provided by the American Rescue Plan Act funds.

In response to Senator Howell, Mr. Pullium stated that jurisdictions are initially advised to adopt the electronic lien and titling system, which can take approximately nine to twelve months to program. Adopting an electronic registration and titling system is more complex and requires an additional 18 to 24 months of program development.

In response to Senator Howell, Sarah Hunsicker, Director of Government Affairs, Cox Automotive, stated that the placement of a lien on a title depends on the functionality of the electronic lien and title program. Several states, which have adopted electronic lien and title programs, are including a lien filing transaction where the lien could be placed by either the lien holder or an auto dealer. Mr. Pullium added additional information regarding the lien process.

In response to Senator Howell, Ms. Hunsicker stated that the electronic lien and titling program could have an effect on mobile and manufactured housing. Mr. Pullium stated that the electronic systems could be built around Kentucky's statutory systems and technical specifications.

In response to Representative Meredith, Mr. Pullium stated fees collected from consumers or dealers are transferred to the state or county jurisdiction. Mr. Pullium, responding to Senator Wheeler, added that Georgia, Ohio, and Colorado's statutory framework is similar to Kentucky's, if the legislature would like to look at model legislation.

In response to Senator Howell, Ms. Hunsicker stated that initial registration is a core transaction for states with the electronic registration and titling systems. Only a handful of states with an electronic registration and titling systems allow for registration renewal on an annual basis. Additionally, states with electronic lien and titling systems have a function incorporated into the system that would allow a lien holder to release their lien at a later date.

Implementation of the New Motor Vehicle Information System

John Eiler, Project Manager, Kentucky Transportation Cabinet presented a project update on the Kentucky Automated Vehicle Information System (KAVIS) development. Mr. Eiler stated that the next module produced for the county clerk offices is projected to be complete in December 2022. KAVIS is a web-based application that allow county clerks to have immediate access to documents and other technological enhancements for ease of use. KAVIS allows the system to be transitioned from a vehicle centric model to a customer centric model. Mr. Eiler discussed further module updates and data integrity updates that have been streamlined for future implementation.

In response to Representative Meredith, Mr. Eiler stated the Kentucky Transportation Cabinet is confident that the December 2022 deadline will be met. Heather Stout, Executive Director, Kentucky Transportation Cabinet added that the 2022 deadline will not be affected by the recently reported technical issues from the current AVIS system.

Representative Meredith requested research be conducted on the length of time and cost of implementing an electronic titling and registration system within the KAVIS program.

There being no further business, the meeting adjourned at 12:23 p.m.