

COUNTY CLERK OFFICE MODERNIZATION TASK FORCE

Minutes of the 5th Meeting of the 2021 Interim

October 20, 2021

Call to Order and Roll Call

The 5th meeting of the County Clerk Office Modernization Task Force was held on Wednesday, October 20, 2021, at 11:00 AM, in Room 149 of the Capitol Annex. Representative Michael Meredith, 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: James Nelson, Jeff Evans, Audrey Jackson, Russel Dizon, Dori Guest, Chris Cockrell, and Tabatha Clemons.

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

Approval of the September 22, 2021 Minutes

Representative Meredith motioned to approve the September 22, 2021, minutes, seconded by Senator Wheeler, and passed by voice vote.

Enterprise

James Nelson, Group Controller with Enterprise Holdings, stated that Enterprise currently has the largest fleet of approximately 14,000 rental vehicles, and is the largest customer of the county clerk offices.

Jeff Evans, Vehicle Acquisition Manager with Enterprise Holdings, presented information regarding permanent fleet license plates and permanent fleet renewal tags for rental vehicles. He stated that implementing electronic registration in Kentucky would allow for consumers and companies with vehicle fleets to pay property taxes more efficiently.

In response to Representative Meredith, Mr. Nelson stated that creating and increasing the cost of a fleet license plate upon purchase of a vehicle could create potential challenges for license plate manufactures. Also, law enforcement agencies have made rental companies aware that a fleet license plate could endanger undercover officers.

In response to Senator Wheeler, Mr. Evans stated that county clerks receive annual documentation showing which vehicles have been removed from Enterprise's fleet for property tax purposes. Upon purchase of a license plate, Enterprise would pay the annual ad valorem tax for the permanent fleet renewal tag without having to replace the license plate tag annually.

In response to Representative Bridges, Mr. Nelson stated that Enterprise is looking for guidance from the Kentucky General Assembly on permanent fleet tags. Mr. Evans also stated that surrounding states have implemented the permanent fleet renewal tag with success.

In response to Representative Flannery, Mr. Nelson stated that the definition of a fleet vehicle in Kentucky would be established by the Kentucky General Assembly.

Carvana

Audrey Jackson, Manager of Carvana Government Affairs, presented a slide show regarding the functionality of Carvana. Ms. Jackson stated that consumers utilizing the E-Commerce option have access to a larger scale marketplace and a convenient buying process. In Kentucky, Carvana serves five markets, employs approximately 600 people, and has two locations. In 2020, approximately 3,000 vehicles were sold, and from January 1, 2020 to July 30, 2021, approximately 2,500 vehicles were sold in Kentucky. Licensed dealers in surrounding states have the authority to inspect the vehicle identification number (VIN), improving delays with title and registration. Licensed dealerships also have the ability to apply for title transfers on behalf of a customer purchasing a vehicle, supporting lenders by ensuring their lien is correctly recorded on a title.

In response to Senator Mills, Ms. Jackson stated that if a licensed dealership incorrectly records the VIN number of a purchased vehicle, the state could still inspect the report.

Kentucky County Clerks Association

Chris Cockrell, Montgomery County Clerk, and Tabatha Clemons, Grant County Clerk with the Kentucky County Clerk's Association, shared a presentation regarding Ohio's electronic modernization of registration and titling. Ms. Clemons stated that at the Clermont County Clerk's office, the use of electronic printing for titles has eliminated procedures for duplicate titles. The system pre-prints titles in numerical order, assigns a sequencing number, and is printed from the county clerk's office with a bar code, increasing security for the titling system and eliminating the batch system. The Ohio auto dealers who use an electronic system are able to select which vendor best suits their needs. The state also provides a free system for dealers.

Mr. Cockrell urged against the use of the electronic titling and registration model used by the Ohio Department of Motor Vehicles due to the inconvenience it would cause to the constituents of Kentucky.

In response to Senator Howell, Ms. Clemons stated that Kentucky residents are able to request registration from the dealership for the county they reside in. Counties in Ohio that utilize an electronic model are competing for dealerships which they do business with.

In response to Senator Howell, Ms. Clemons stated that in Ohio the sequencing number on stock printed titles are specific to the state until the inventory is discharged to a county. The county would then report the sequencing numbers of the batch that they have received and scan the inventory code that is printed on the title for auditing purposes. Ms. Clemons stated that having an electronic titling model in Kentucky would enhance the ability of a clerk to reject and correct titling mistakes.

Mr. Cockrell stated that 98 percent of county clerks who responded to a recent survey stated that constituents are best served when driver's license and state issued identification cards are issued at a county level.

In response to Senator Howell, Mr. Cockrell stated that counties with smaller populations may have space limitations at their county clerk offices if driver's license issuance were to be combined with the clerk's duties. However, the majority of constituents would be better served if both offices were combined.

In response to Representative Meredith, Ms. Clemons stated that with access to a geographic information mapping system, county clerk's offices would have the ability to correctly locate a person's address for voter registration purposes.

Ms. Clemons stated that the Kentucky County Clerk's Association would like to discuss the Kentucky Automated Vehicle Information System with the Kentucky Transportation Cabinet for electronic title submission, electronic titling, and centralized lien filing.

In response to Senator Wheeler, Mr. Cockrell stated that there is currently no interest in establishing the REAL I.D. program in the county clerk's offices.

In response to Representative Tackett-Laferty, Ms. Clemons stated that offering driver's license and identification card issuance in the county clerk's offices and regional offices would create greater voter registration issues.

There being no further business, the meeting adjourned at 12:24 p.m.