

fleet registrations. It allows approved entities using the electronic system to file paperwork with either the county clerk of the county in which the purchaser resides or in which the dealer is located in. It sets application fees for approved entities at \$150 and requires annual fees for approved entities. All fees collected under this section shall be deposited into the road fund. The cabinet is required to contract with third party providers to deliver software and network systems to facilitate these transactions. It allows agreements between the cabinet and third party providers to include a transaction fee that shall be charged by the third-party provider to an approved entity that wishes to utilize the electronic title application. The cabinet shall promulgate administrative regulations to set forth qualifications of approved entities and procedures for the system.

Section 6—Repeals and reenacts KRS 186A.195 to set forth procedures for the filing of title lien statements and the distribution of fees. The filing fee for a title lien statement processed through the electronic title application and registration system shall be transferred electronically to the county clerk of the county in which the debtor resides.

Section 13—creates a new section of KRS Chapter 186A to require the cabinet to establish procedures and requirements by which the owner of fleet vehicles may be issued permanent registration fleet plates. Exemptions are provided for fleet vehicles used as rental cars. It sets forth fees and penalties for failure to pay taxes and registration fees and failure to provide annual reconciliations to the cabinet. It directs that all fees other than registration fees shall be deposited into the road fund.

Section 18—This ACT takes effect July 1, 2024.

The fiscal impact on county clerks should be minimal. Clerks will still receive fees for processing titles, registrations and lien statements. The bill is not expected to increase the number of filings being processed. According to the Kentucky County Clerks Association, the fiscal impact should be mostly related to training on the process changes.

The road fund will likely see an increase in revenues stemming from the fees paid by approved entities in order to utilize the electronic titling and registration system. The increased revenue is not expected to be substantial and is likely to have a minimal effect on the portion of the road fund that is distributed to local government for the construction, reconstruction and maintenance of roads, streets and bridges.

Part III: Differences to Local Government Mandate Statement from Prior Versions

Part II above, includes the changes brought by HCS 1. The fiscal impact remains unchanged.

HCS 1 permits approved entities using the electronic system to file paperwork with either the county clerk of the county in which the purchaser resides or in which the dealer is located in section 2. Section 6 is also amended to make technical corrections by eliminating a reference to the Transportation Cabinet.

Data Source(s): Kentucky County Clerks Association, LRC Staff

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