

Section 2—Creates a new section of KRS Chapter 186A to require the Transportation Cabinet to establish an electronic titling and registration system. This system should allow submission of required forms, fees, and signatures electronically and to allow approved entities to access the system to facilitate title transfers, fleet registrations, and permanent 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. 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—SCS 1 amends KRS 186A.060 to require an applicant for a motor vehicle title to provide his or her Kentucky operator's license number, personal identification card number, or Social Security number as part of the application process. It also requires any vehicle owned by a licensed business to be titled using a federal employee identification number.

Section 19—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, refers to HB 284 SCS 1. The impact of SCS 1 remains the same as the fiscal impact of HB 284 GA.

Changes brought by SCS 1 include:

- Reduces the number of nonapportioned commercial vehicles within the definition of "fleet" from 20 to 10.
- Adds a requirement to KRS 186A.060 that an applicant for a motor vehicle title provide his or her Kentucky operator's license number, personal identification card number, or Social Security number as part of the application process.
- Requires any vehicle owned and used by a licensed business to be titled using a federal employee identification number;
- Several technical changes.

HB 284 GA incorporated changes brought by HCS 1 and floor amendment 1. The fiscal impact remains unchanged from the bill as introduced.

The GA version includes licensed manufactured home retailers among the entities allowed to use the electronic title application and registration system.

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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