



KANSAS AUTOMOBILE DEALERS ASSOCIATION

February 5, 2020

To: The Honorable Mike Petersen, Chairman and Members of the Senate Transportation Committee

From: Don L. McNeely, President

Re: SB 305 - AN ACT concerning the vehicle dealers and manufacturers licensing act; relating to vehicle dealer licensing; increasing the bonding requirement for vehicle dealers

Good Morning, Chairman Petersen and member of the Committee. My name is Don McNeely and I serve as the President and CEO of the Kansas Automobile Dealers Association (KADA). I appear before you this morning in support of SB 305, which would increase the surety bond associated with the Kansas dealer license from \$30,000 to \$50,000.

With average new vehicle retail sales price now being \$35,608 and used vehicle retail sales price being \$20,586, we believe increasing the surety bond amount to \$50,000 would be appropriate. Also, in the unofficial survey I recently performed, it appears that \$50,000 is the average surety bond amount for licensure across the country, including the states of Missouri and Nebraska.

Prior to the Kansas Division of Motor Vehicles introducing this proposal, it was discussed and approved by the Kansas Dealers Review Board for consideration.

On behalf of the Kansas Automobile Dealers Association, I thank you for the opportunity to appear to appear this morning and provide some comments in support of SB 305.

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