As Amended by Senate Committee

As Amended by House Committee

Session of 2020

HOUSE BILL No. 2501

By Committee on Transportation

1-27

AN ACT concerning motor vehicles; relating to nonhighway and salvage vehicles; allowing salvage vehicle pools and salvage vehicle dealers to apply to the division of vehicles for ownership documents; providing application and notice requirements; amending K.S.A. 2019 Supp. 8-198 and repealing the existing section.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 2019 Supp. 8-198 is hereby amended to read as follows: 8-198. (a) A nonhighway or salvage vehicle shall not be required to be registered in this state, as provided in K.S.A. 8-135, and amendments thereto, but nothing in this section shall be construed as abrogating, limiting or otherwise affecting the provisions of K.S.A. 8-142, and amendments thereto, which make it unlawful for any person to operate or knowingly permit the operation in this state of a vehicle required to be registered in this state.

(b) Upon the sale or transfer of any nonhighway vehicle or salvage vehicle, the purchaser thereof shall obtain a nonhighway certificate of title or salvage title, whichever is applicable, in the following manner:

(1) If the transferor is a vehicle dealer, as defined in K.S.A. 8-2401, and amendments thereto, and a certificate of title has not been issued for such vehicle under this section or under the provisions of K.S.A. 8-135, and amendments thereto, such transferor shall make application for and assign a nonhighway certificate of title or a salvage title, whichever is applicable, to the purchaser of such nonhighway vehicle or salvage vehicle in the same manner and under the same conditions prescribed by K.S.A. 8-135, and amendments thereto, for the application for and assignment of a certificate of title thereunder. Upon the assignment thereof, the purchaser shall make application for a new nonhighway certificate of title or salvage title, as provided in subsection (c) or (d).

(2) Except as provided in K.S.A. 8-199(b), and amendments thereto, if a certificate of title has been issued for any such vehicle under the provisions of K.S.A. 8-135, and amendments thereto, the owner of such nonhighway vehicle or salvage vehicle may surrender such certificate of title to the division of vehicles and make application to the division for a
nonhighway certificate of title or salvage title, whichever is applicable, or
the owner may obtain from the county treasurer's office a form prescribed
by the division of vehicles and, upon proper execution thereof, may assign
the nonhighway certificate of title, salvage title or the regular certificate of
title with such form attached to the purchaser of the nonhighway vehicle or
salvage vehicle. Upon receipt of the nonhighway certificate of title,
salvage title or the regular certificate of title with such form attached, the
purchaser shall make application for a new nonhighway certificate of title
or salvage title, whichever is applicable, as provided in subsection (c) or
(d).

(3) If the transferor is not a vehicle dealer, as defined in K.S.A. 8-
2401, and amendments thereto, and a certificate of title has not been issued
for the vehicle under this section or a certificate of title was not required
under K.S.A. 8-135, and amendments thereto, the transferor shall make
application to the division for a nonhighway certificate of title or salvage
title, whichever is applicable, as provided in this section, except that in
addition thereto, the division shall require a bill of sale or such transferor's
affidavit, with at least one other corroborating affidavit, that such
transferor is the owner of such nonhighway vehicle or salvage vehicle. If
the division is satisfied that the transferor is the owner, the division shall
issue a nonhighway certificate of title or salvage title, whichever is
applicable, for such vehicle, and the transferor shall assign the same to the
purchaser, who shall make application for a new nonhighway certificate of
title or salvage title, whichever is applicable, as provided in subsection (c)
or (d).

(c) Every purchaser of a nonhighway vehicle, whether assigned a
nonhighway certificate of title or a regular certificate of title with the form
specified in subsection (b)(2) attached, shall make application to the
county treasurer of the county in which where such person resides for a
new nonhighway certificate of title in the same manner and under the same
conditions as for an application for a certificate of title under K.S.A. 8-
135, and amendments thereto. Such application shall be in the form
prescribed by the director of vehicles and shall contain substantially the
same provisions as required for an application under K.S.A. 8-135(c)(1),
and amendments thereto. In addition, such application shall provide a
place for the applicant to certify that the vehicle for which the application
for a nonhighway certificate of title is made is a nonhighway vehicle and
other provisions the director deems necessary. Each application for a
nonhighway certificate of title shall be accompanied by a fee of $10, and if
the application is not made to the county treasurer within the time
prescribed by K.S.A. 8-135, and amendments thereto, for making
application for a certificate of title thereunder, an additional fee of $2.

(d) (1) Except as otherwise provided by this section, the owner of a
vehicle that meets the definition of a salvage vehicle shall apply for a
salvage title before the ownership of the motor vehicle or travel trailer is
transferred. In no event shall such application be made more than 60 days
after the vehicle is determined to be a salvage vehicle.

(2) Every insurance company, which that, pursuant to a damage
settlement, acquires ownership of a vehicle that has incurred damage
requiring the vehicle to be designated a salvage vehicle, shall apply for a
salvage title within 60 days after the title is assigned and delivered by the
owner to the insurance company, with all liens released. In the event that
an insurance company is unable to obtain voluntary assignment of the title
after 30 days from the date the vehicle owner enters into an oral or written
damage settlement agreement where the owner agrees to transfer the title,
the insurance company may submit an application on a form prescribed by
the division for a salvage title. The form shall be accompanied by an
affidavit from the insurance company stating that: (A) The insurance
company is unable to obtain a transfer of the title from the owner
following an oral or written acceptance of an offer of damage settlement;
(B) there is evidence of the damage settlement; (C) that there are no
existing liens on the vehicle or all liens on the vehicle have been released;
(D) the insurance company has physical possession of the vehicle; and (E)
the insurance company has provided the owner, at the owner's last known
address, 30 days' prior notice of such intent to transfer and the owner has
not delivered a written objection to the insurance company.

(3) Every insurance company which that makes a damage settlement
for a vehicle that has incurred damage requiring such vehicle to be
designated a salvage vehicle, but does not acquire ownership of the
vehicle, shall notify the vehicle owner of the owner's obligation to apply
for a salvage title for the motor vehicle or travel trailer, and shall notify the
division of this fact in accordance with procedures established by the
division. The vehicle owner shall apply for a salvage title within 60 days
after being notified by the insurance company.

(4) The lessee of any vehicle which that incurs damage requiring the
vehicle to be designated a salvage vehicle shall notify the lessor of this fact
within 30 days of the determination that the vehicle is a salvage vehicle.

(5) The lessor of any motor vehicle or travel trailer which that has
incurred damage requiring the vehicle to be titled as a salvage vehicle,
shall apply for a salvage title within 60 days after being notified of this
fact by the lessee.

(6) Every person acquiring ownership of a motor vehicle or travel
trailer that meets the definition of a salvage vehicle, for which a salvage
title has not been issued, shall apply for the required document prior to any
further transfer of such vehicle, but in no event, more than 60 days after
ownership is acquired.
(7) Every purchaser of a salvage vehicle, whether assigned a salvage title or a regular certificate of title with the form specified in subsection (b) (2) attached, shall make application to the county treasurer of the county in which where such person resides for a new salvage title, in the same manner and under the same condition as for an application for a certificate of title under K.S.A. 8-135, and amendments thereto. Such application shall be in the form prescribed by the director of vehicles and shall contain substantially the same provisions as required for an application under K.S.A. 8-135(c)(1), and amendments thereto. In addition, such application shall provide a place for the applicant to certify that the vehicle for which the application for salvage title is made is a salvage vehicle, and other provisions the director deems necessary. Each application for a salvage title shall be accompanied by a fee of $10 and if the application is not made to the county treasurer within the time prescribed by K.S.A. 8-135, and amendments thereto, for making application for a certificate of title thereunder, an additional fee of $2.

(8) Failure to apply for a salvage title as provided by this subsection shall be a class C nonperson misdemeanor.

(e) A nonhighway certificate of title or salvage title shall be in form and color as prescribed by the director of vehicles. A nonhighway certificate of title or salvage title shall indicate clearly and distinctly on its face that it is issued for a nonhighway vehicle or salvage vehicle, whichever is applicable. A nonhighway certificate of title or salvage title shall contain substantially the same information as required on a certificate of title issued under K.S.A. 8-135, and amendments thereto, and other information the director deems necessary.

(f) (1) A nonhighway certificate of title or salvage title may be transferred in the same manner and under the same conditions as prescribed by K.S.A. 8-135, and amendments thereto, for the transfer of a certificate of title, except as otherwise provided in this section. A nonhighway certificate of title or salvage title may be assigned and transferred only while the vehicle remains a nonhighway vehicle or salvage vehicle.

(2) Upon transfer or sale of a nonhighway vehicle in a condition which that will allow the registration of such vehicle, the owner shall assign the nonhighway certificate of title to the purchaser, and the purchaser shall obtain a certificate of title and register such vehicle as provided in K.S.A. 8-135, and amendments thereto. No regular certificate of title shall be issued for a vehicle for which there has been issued a nonhighway certificate of title until there has been compliance with K.S.A. 8-116a, and amendments thereto.

(3) (A) Upon transfer or sale of a salvage vehicle which that has been rebuilt or restored or is otherwise in a condition which that will allow the
registration of such vehicle, the owner shall assign the salvage title to the
purchaser, and the purchaser shall obtain a rebuilt salvage title and register
such vehicle as provided in K.S.A. 8-135, and amendments thereto. No
rebuilt salvage title shall be issued for a vehicle for which there has been
issued a salvage title until there has been compliance with K.S.A. 8-116a,
and amendments thereto, and the notice required in subsection (f)(3)(B)
has been attached to such vehicle.

(B) As part of the inspection for a rebuilt salvage title conducted
under K.S.A. 8-116a, and amendments thereto, the Kansas highway patrol
shall attach a notice affixed to the left door frame of the rebuilt salvage
vehicle indicating the vehicle identification number of such vehicle and
that such vehicle is a rebuilt salvage vehicle. In addition to any fee allowed
under K.S.A. 8-116a, and amendments thereto, a fee of $5 shall be
collected from the owner of such vehicle requesting the inspection for the
notice required under this paragraph. All moneys received under this
paragraph shall be remitted in accordance with K.S.A. 8-116a(e), and
amendments thereto.

(C) Failure to apply for a rebuilt salvage title as provided by this
paragraph shall be a class C nonperson misdemeanor.

(g) The owner of a salvage vehicle—\textit{which that} has been issued a
salvage title and has been assembled, reconstructed, reconstituted or
restored or otherwise placed in an operable condition may make
application to the county treasurer for a permit to operate such vehicle on
the highways of this state over the most direct route from the place such
salvage vehicle is located to a specified location named on the permit and
to return to the original location. No such permit shall be issued for any
vehicle unless the owner has motor vehicle liability insurance coverage or
an approved self-insurance plan under K.S.A. 40-3104, and amendments
thereto. Such permit shall be on a form furnished by the director of
vehicles and shall state the date the vehicle is to be taken to the other
location, the name of the insurer, as defined in K.S.A. 40-3103, and
amendments thereto, and the policy number or a statement that the vehicle
is included in a self-insurance plan approved by the commissioner of
insurance, a statement attesting to the correctness of the information
concerning financial security, the vehicle identification number and a
description of the vehicle. Such permit shall be signed by the owner of the
vehicle. The permit shall be carried in the vehicle for which it is issued and
shall be displayed so that it is visible from the rear of the vehicle. The fee
for such permit shall be $1—\textit{which and} shall be retained by the county
treasurer, who shall annually forward 25% of all such fees collected to the
division of vehicles to reimburse the division for administrative expenses,
and shall deposit the remainder in a special fund for expenses of issuing
such permits.
(h) A nonhighway vehicle or salvage vehicle for which a nonhighway certificate of title or salvage title has been issued pursuant to this section shall not be deemed a motor vehicle for the purposes of K.S.A. 40-3101 through 40-3121, inclusive, and amendments thereto, except when such vehicle is being operated pursuant to subsection (g). Any person who knowingly makes a false statement concerning financial security in obtaining a permit pursuant to subsection (g), or who fails to obtain a permit when required by law to do so is guilty of a class C misdemeanor.

(i) Any person who, on July 1, 1996, is the owner of an all-terrain vehicle, as defined in K.S.A. 8-126, and amendments thereto, shall not be required to file an application for a nonhighway certificate of title under the provisions of this section for such all-terrain vehicle, unless the person transfers an interest in such all-terrain vehicle.

(j) Any person who, on July 1, 2006, is the owner of a work-site utility vehicle, as defined in K.S.A. 8-126, and amendments thereto, shall not be required to file an application for a nonhighway certificate of title under the provisions of this section for such work-site utility vehicle, unless the person transfers an interest in such work-site utility vehicle.

(k) (1) A salvage vehicle pool, as defined in or a salvage vehicle dealer, as both are defined and licensed to operate in this state pursuant to K.S.A. 8-2401 et seq., and amendments thereto, may apply for an ownership document with the division of vehicles without forwarding the statement of origin or certificate of title to the division for a vehicle that is the subject of an insurance claim when:

(A) At the request of an insurance company, the salvage vehicle pool or salvage vehicle dealer obtains possession of the vehicle;

(B) the insurance claim for the vehicle has not been paid closed without payment or denied by the insurance company; and

(C) the vehicle has been abandoned remained unclaimed at the salvage vehicle pool's or salvage vehicle dealer's facility for more than 30 days.

(2) An application made pursuant to this paragraph subsection shall provide sufficient evidence that at least two written notices were delivered by certified mail to the address provided by the division of vehicles' ownership verification, or through another courier service that provides proof of delivery, to the owner of the vehicle or and any lienholder of the vehicle identified in the division of vehicles' records requesting that the vehicle be removed from the salvage vehicle pool’s or salvage vehicle dealer's facility. A salvage vehicle dealer shall also provide sufficient evidence to the division of the request by the insurance company to obtain possession of the vehicle. Such written notice shall specify that the owner of the vehicle or and any lienholder of the vehicle identified in the division of vehicles' records has at least 30 days from the receipt of the
notice to remove the vehicle. If the salvage vehicle pool or salvage vehicle dealer does not receive proof of delivery for the notices, the salvage vehicle pool or salvage vehicle dealer shall cause notice of the application for an ownership document to be published in a newspaper of general circulation in the county where the vehicle is located.

(3) If the most recent ownership document for the vehicle was not issued by this state, the application shall also include evidence of an inspection of the vehicle completed by the Kansas highway patrol pursuant to K.S.A. 8-116a, and amendments thereto. The application shall also indicate whether a certificate of title, a salvage title or a nonrepairable vehicle certificate shall be issued for the vehicle.

(4) Upon receipt of the application and all information required by this paragraph subsection, the division shall issue to the salvage vehicle pool a certificate of title, a salvage title or a nonrepairable vehicle certificate free and clear of all liens, security interests and encumbrances.

Sec. 2. K.S.A. 2019 Supp. 8-198 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after its publication in the statute book.