

SESSION OF 2020

SUPPLEMENTAL NOTE ON SENATE BILL NO. 374

As Amended by Senate Committee on
Transportation

Brief*

SB 374, as amended, would authorize an employee of a salvage vehicle pool to perform vehicle identification number (VIN) inspections for purposes of titling a used vehicle in Kansas under certain circumstances.

The bill would require the employee to have received initial training and certification from the Kansas Highway Patrol (KHP) and to have met continuing certification requirements. The bill would authorize the Superintendent of the KHP (Superintendent), in accordance with the provisions of the Kansas Administrative Procedure Act, to revoke, suspend, decline to renew, or decline to issue certification for failure to comply with the provisions of the bill or with KHP rules and regulations.

The bill would state only a salvage vehicle pool that sells at least 2,000 vehicles combined from its licensed locations in Kansas would be eligible to have employees perform these checks. Before the KHP certifies any employee to perform the inspections, the bill would require the salvage vehicle pool to furnish and maintain a bond in the amount of \$50,000. The bill would require any such bond to be issued by a company authorized to do business in Kansas and be executed in the name of the State of Kansas.

The bill would authorize the salvage vehicle pool employee to inspect only motor vehicles stored at the salvage vehicle pool's licensed location if the vehicle is to be

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

designated as a salvage, nonrepairable, or nonhighway vehicle.

The bill would authorize the Superintendent to promulgate rules and regulations regarding VIN inspection training for employees of salvage vehicle pools and of new vehicle dealers. [Note: Under continuing law, trained and certified employees of a new vehicle dealer may perform VIN inspections on motor vehicles the new vehicle dealer purchases.]

Continuing law states a salvage vehicle pool, as an agent for a third party, is primarily engaged in the business of storing, displaying, and offering for sale salvage vehicles.

The bill would also make technical changes.

Background

The bill was introduced by the Senate Committee on Transportation at the request of a representative of Copart, Inc.

In the Senate Committee hearing, two representatives of Copart, Inc., provided proponent testimony. A representative of Insurance Auto Auctions, Inc., provided written-only proponent testimony. The proponents stated the proposed process would alleviate backlogs in inspections and shorten vehicle storage times for salvage vehicle pools. They noted the bill would not amend law directing the inspection fee to the KHP.

The Superintendent and a representative of the Kansas Association of Chiefs of Police, the Kansas Peace Officers Association, and the Kansas Sheriffs Association provided written-only opponent testimony. The opponents noted the purpose of the inspections is to protect consumers from buying damaged or stolen vehicles and prevent the trafficking of stolen auto parts. The Superintendent stated a lack of

proper documentation of ownership has led to a backlog of inspections.

The Senate Committee amended the bill to limit participation to salvage vehicle pools that sell at least 2,000 vehicles in Kansas and to require the salvage vehicle pool to furnish and maintain a \$50,000 bond.

According to the fiscal note prepared by the Division of the Budget on the bill as introduced, the KHP states enactment of the bill would have no fiscal effect.