

SENATE BILL No. 36

By Committee on Transportation

1-15

1 AN ACT concerning motor vehicles; relating to salvage vehicles; allowing
2 employees of salvage vehicle pools to perform vehicle identification
3 number inspections; allowing salvage vehicle pools and salvage vehicle
4 dealers to apply to the division of vehicles for ownership documents;
5 providing application and notice requirements therefor; amending
6 K.S.A. 2020 Supp. 8-116a and 8-198 and repealing the existing
7 sections.
8

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

10 Section 1. K.S.A. 2020 Supp. 8-116a is hereby amended to read as
11 follows: 8-116a. (a) Except as provided in K.S.A. 8-170, and amendments
12 thereto, when an application is made for a vehicle ~~which~~ *that* has been
13 assembled, reconstructed, reconstituted or restored from one or more
14 vehicles, or the proper identification number of a vehicle is in doubt, the
15 procedure in this section shall be followed. The owner of the vehicle shall
16 request the Kansas highway patrol to check the vehicle and the highway
17 patrol shall within a reasonable period of time perform such vehicle check.
18 At the time of such check the owner shall supply the highway patrol with
19 information concerning the history of the various parts of the vehicle. Such
20 information shall be supplied by affidavit of the owner, if so requested by
21 the highway patrol. If the highway patrol is satisfied that the vehicle
22 contains no stolen parts and complies with K.S.A. 8-116, and amendments
23 thereto, the highway patrol shall determine the make, model and year of
24 the vehicle, and shall assign an existing or new identification number to
25 the vehicle and direct the places and manner in which the identification
26 number is to be located and affixed or implanted. ~~A charge of \$15 per hour
27 or part thereof, with a minimum charge of \$15, and on and after July 1,
28 2012, a charge of \$20 per hour or part thereof, with a minimum charge of
29 \$20, shall be made to the owner of a vehicle requesting check under this
30 subsection, and such charge shall be paid prior to the check under this
31 section. When a check has been made under subsection (b), not more than
32 60 days prior to a check of the same vehicle identification number,
33 requested by the owner of the vehicle to obtain a regular certificate of title
34 in lieu of a nonhighway certificate of title or obtain a rebuilt salvage title
35 in lieu of a salvage title, no charge shall be made for such second check.~~

36 (b) Any person making application for any original Kansas title for a

1 used vehicle ~~which~~ *that*, at the time of making application, is titled in
2 another jurisdiction, as a condition precedent to obtaining any Kansas title,
3 shall have such vehicle checked by the Kansas highway patrol for
4 verification that the vehicle identification number shown on the foreign
5 title is genuine and agrees with the identification number on the vehicle.
6 Checks under this section may include inspection for possible violation of
7 K.S.A. 2020 Supp. 21-5835, and amendments thereto, or other evidence of
8 possible fraud. The verification shall be made upon forms prescribed by
9 the division of vehicles which shall contain such information as the
10 secretary of revenue shall require by rules and regulations. ~~A charge of \$15~~
11 ~~per hour or part thereof, with a minimum charge of \$15, and on and after~~
12 ~~July 1, 2012, a charge of \$20 per hour or part thereof, with a minimum~~
13 ~~charge of \$20, shall be made for checks under this subsection. When a~~
14 ~~vehicle is registered in another state, but is financed by a Kansas financial~~
15 ~~institution and is repossessed in another state and such vehicle will not be~~
16 ~~returned to Kansas, the check required by this subsection shall not be~~
17 ~~required to obtain a valid Kansas title or registration.~~

18 (c) As used in this act, "identification number" or "vehicle
19 identification number" means an identifying number, serial number, engine
20 number, transmission number or other distinguishing number or mark,
21 placed on a vehicle, engine, transmission or other essential part by its
22 manufacturer or by authority of the division of vehicles or the Kansas
23 highway patrol or in accordance with the laws of another state or country.

24 (d) The checks made under subsection (b) may be made by:

25 (1) A designee of the superintendent of the Kansas highway patrol; ~~or~~

26 (2) an employee of a new vehicle dealer, as defined in ~~subsection (b)~~
27 ~~of K.S.A. 8-2401(b)~~, and amendments thereto, for the purposes provided
28 for in subsection (f). For checks made by a designee or new vehicle dealer,
29 10% of each charge shall be remitted to the Kansas highway patrol and the
30 balance of such charges shall be retained by such designee or new vehicle
31 dealer. If the designee is a city or county law enforcement agency, then the
32 balance shall be retained by the law enforcement agency that conducted
33 the inspection and shall be deposited into an account to be used for law
34 enforcement purposes and shall not be used to supplant the law
35 enforcement agency's budget. When a check is made under either
36 subsection (a) or (b) by personnel of the Kansas highway patrol, the entire
37 amount of the charge therefor shall be paid to the highway patrol; *or*

38 (3) *a certified vehicle identification number inspector pursuant to*
39 *subsection (g). For checks made by a certified vehicle identification*
40 *number inspector, 100% of each charge shall be remitted to the Kansas*
41 *highway patrol.*

42 (e) There is hereby created the vehicle identification number fee fund.
43 The Kansas highway patrol shall remit all moneys received by the Kansas

1 highway patrol from fees collected under subsection (d) to the state
2 treasurer in accordance with the provisions of K.S.A. 75-4215, and
3 amendments thereto. Upon receipt of each such remittance, the state
4 treasurer shall deposit the entire amount in the state treasury to the credit
5 of the vehicle identification number fee fund. All expenditures from the
6 vehicle identification number fee fund shall be made in accordance with
7 appropriations acts upon warrants of the director of accounts and reports
8 issued pursuant to vouchers approved by the superintendent of the Kansas
9 highway patrol or by a person or persons designated by the superintendent.

10 (f) An employee of a new vehicle dealer, who has received initial
11 training and certification from the highway patrol; and has met continuing
12 certification requirements, ~~in accordance with rules and regulations~~
13 adopted by the superintendent of the highway patrol, may provide the
14 checks under subsection (b), ~~in accordance with rules and regulations~~
15 ~~adopted by the superintendent of the highway patrol~~, on motor vehicles
16 that a new vehicle dealer purchases through a manufacturer's sponsored
17 auction or on motor vehicles repurchased or reacquired by a manufacturer,
18 distributor or financing subsidiary of such manufacturer and which are
19 purchased by the new vehicle dealer. At any time, after a hearing in
20 accordance with the provisions of the Kansas administrative procedure act,
21 the superintendent of the highway patrol may revoke, suspend, decline to
22 renew or decline to issue certification for failure to comply with the
23 provisions of this subsection, ~~including~~ or any applicable rules and
24 regulations. *The superintendent of the highway patrol may promulgate*
25 *rules and regulations to administer the provisions of this subsection.*

26 (g) (1) *An employee of a salvage vehicle pool, as defined in K.S.A. 8-*
27 *2401, and amendments thereto, who has received initial training and*
28 *certification from the highway patrol and has met continuing certification*
29 *requirements may provide the checks under subsection (b) on motor*
30 *vehicles that have been stored at the salvage vehicle pool's licensed*
31 *location if the vehicle is to be designated as a salvage vehicle pursuant to*
32 *K.S.A. 8-197(b)(2), and amendments thereto, a vehicle to be designated as*
33 *a nonrepairable vehicle pursuant to K.S.A. 8-135c(b)(1), and amendments*
34 *thereto, or a vehicle to be designated as a nonhighway vehicle pursuant to*
35 *K.S.A. 8-197(b)(1), and amendments thereto. At any time, after a hearing*
36 *in accordance with the provisions of the Kansas administrative procedure*
37 *act, the superintendent of the highway patrol may revoke, suspend, decline*
38 *to renew or decline to issue certification for failure to comply with the*
39 *provisions of this subsection or any applicable rules and regulations. The*
40 *superintendent of the highway patrol may promulgate rules and*
41 *regulations to administer the provisions of this subsection.*

42 (2) *Prior to the Kansas highway patrol certifying any employee*
43 *pursuant to paragraph (1), such salvage vehicle pool shall furnish and*

1 *maintain a bond in the amount of \$50,000. Every bond shall be a*
2 *corporate surety bond issued by a company authorized to do business in*
3 *the state of Kansas and shall be executed in the name of the state of*
4 *Kansas.*

5 (3) *Only salvage vehicle pools that sell at least 2,000 vehicles*
6 *combined per year from the salvage vehicle pool's licensed locations in*
7 *Kansas may be eligible to have employees perform the checks pursuant to*
8 *this subsection.*

9 (h) No law enforcement agency or employee of such agency acting
10 within the scope of employment shall be liable for damages resulting from
11 the adoption or enforcement of any policy adopted under this section.

12 Sec. 2. K.S.A. 2020 Supp. 8-198 is hereby amended to read as
13 follows: 8-198. (a) A nonhighway or salvage vehicle shall not be required
14 to be registered in this state, as provided in K.S.A. 8-135, and amendments
15 thereto, but nothing in this section shall be construed as abrogating,
16 limiting or otherwise affecting the provisions of K.S.A. 8-142, and
17 amendments thereto, which make it unlawful for any person to operate or
18 knowingly permit the operation in this state of a vehicle required to be
19 registered in this state.

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

23 (1) If the transferor is a vehicle dealer, as defined in K.S.A. 8-2401,
24 and amendments thereto, and a certificate of title has not been issued for
25 such vehicle under this section or under the provisions of K.S.A. 8-135,
26 and amendments thereto, such transferor shall make application for and
27 assign a nonhighway certificate of title or a salvage title, whichever is
28 applicable, to the purchaser of such nonhighway vehicle or salvage vehicle
29 in the same manner and under the same conditions prescribed by K.S.A. 8-
30 135, and amendments thereto, for the application for and assignment of a
31 certificate of title thereunder. Upon the assignment thereof, the purchaser
32 shall make application for a new nonhighway certificate of title or salvage
33 title, as provided in subsection (c) or (d).

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

1 salvage vehicle. Upon receipt of the nonhighway certificate of title,
2 salvage title or the regular certificate of title with such form attached, the
3 purchaser shall make application for a new nonhighway certificate of title
4 or salvage title, whichever is applicable, as provided in subsection (c) or
5 (d).

6 (3) If the transferor is not a vehicle dealer, as defined in K.S.A. 8-
7 2401, and amendments thereto, and a certificate of title has not been issued
8 for the vehicle under this section or a certificate of title was not required
9 under K.S.A. 8-135, and amendments thereto, the transferor shall make
10 application to the division for a nonhighway certificate of title or salvage
11 title, whichever is applicable, as provided in this section, except that in
12 addition thereto, the division shall require a bill of sale or such transferor's
13 affidavit, with at least one other corroborating affidavit, that such
14 transferor is the owner of such nonhighway vehicle or salvage vehicle. If
15 the division is satisfied that the transferor is the owner, the division shall
16 issue a nonhighway certificate of title or salvage title, whichever is
17 applicable, for such vehicle, and the transferor shall assign the same to the
18 purchaser, who shall make application for a new nonhighway certificate of
19 title or salvage title, whichever is applicable, as provided in subsection (c)
20 or (d).

21 (c) Every purchaser of a nonhighway vehicle, whether assigned a
22 nonhighway certificate of title or a regular certificate of title with the form
23 specified in subsection (b)(2) attached, shall make application to the
24 county treasurer of the county ~~in which~~ *where* such person resides for a
25 new nonhighway certificate of title in the same manner and under the same
26 conditions as for an application for a certificate of title under K.S.A. 8-
27 135, and amendments thereto. Such application shall be in the form
28 prescribed by the director of vehicles and shall contain substantially the
29 same provisions as required for an application under K.S.A. 8-135(c)(1),
30 and amendments thereto. In addition, such application shall provide a
31 place for the applicant to certify that the vehicle for which the application
32 for a nonhighway certificate of title is made is a nonhighway vehicle and
33 other provisions the director deems necessary. Each application for a
34 nonhighway certificate of title shall be accompanied by a fee of \$10, and if
35 the application is not made to the county treasurer within the time
36 prescribed by K.S.A. 8-135, and amendments thereto, for making
37 application for a certificate of title thereunder, an additional fee of \$2.

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

43 (2) Every insurance company, ~~which~~ *that*, pursuant to a damage

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

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

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

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

34 (6) Every person acquiring ownership of a motor vehicle or travel
35 trailer that meets the definition of a salvage vehicle, for which a salvage
36 title has not been issued, shall apply for the required document prior to any
37 further transfer of such vehicle, but in no event, more than 60 days after
38 ownership is acquired.

39 (7) Every purchaser of a salvage vehicle, whether assigned a salvage
40 title or a regular certificate of title with the form specified in subsection (b)
41 (2) attached, shall make application to the county treasurer of the county ~~in~~
42 ~~which~~ where such person resides for a new salvage title, in the same
43 manner and under the same condition as for an application for a certificate

1 of title under K.S.A. 8-135, and amendments thereto. Such application
2 shall be in the form prescribed by the director of vehicles and shall contain
3 substantially the same provisions as required for an application under
4 K.S.A. 8-135(c)(1), and amendments thereto. In addition, such application
5 shall provide a place for the applicant to certify that the vehicle for which
6 the application for salvage title is made is a salvage vehicle, and other
7 provisions the director deems necessary. Each application for a salvage
8 title shall be accompanied by a fee of \$10 and if the application is not
9 made to the county treasurer within the time prescribed by K.S.A. 8-135,
10 and amendments thereto, for making application for a certificate of title
11 thereunder, an additional fee of \$2.

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

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

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

29 (2) Upon transfer or sale of a nonhighway vehicle in a condition
30 ~~which~~ that will allow the registration of such vehicle, the owner shall
31 assign the nonhighway certificate of title to the purchaser, and the
32 purchaser shall obtain a certificate of title and register such vehicle as
33 provided in K.S.A. 8-135, and amendments thereto. No regular certificate
34 of title shall be issued for a vehicle for which there has been issued a
35 nonhighway certificate of title until there has been compliance with K.S.A.
36 8-116a, and amendments thereto.

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

1 and amendments thereto, and the notice required in subsection (f)(3)(B)
2 has been attached to such vehicle.

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

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

15 (g) The owner of a salvage vehicle ~~which~~ *that* has been issued a
16 salvage title and has been assembled, reconstructed, reconstituted or
17 restored or otherwise placed in an operable condition may make
18 application to the county treasurer for a permit to operate such vehicle on
19 the highways of this state over the most direct route from the place such
20 salvage vehicle is located to a specified location named on the permit and
21 to return to the original location. No such permit shall be issued for any
22 vehicle unless the owner has motor vehicle liability insurance coverage or
23 an approved self-insurance plan under K.S.A. 40-3104, and amendments
24 thereto. Such permit shall be on a form furnished by the director of
25 vehicles and shall state the date the vehicle is to be taken to the other
26 location, the name of the insurer, as defined in K.S.A. 40-3103, and
27 amendments thereto, and the policy number or a statement that the vehicle
28 is included in a self-insurance plan approved by the commissioner of
29 insurance, a statement attesting to the correctness of the information
30 concerning financial security, the vehicle identification number and a
31 description of the vehicle. Such permit shall be signed by the owner of the
32 vehicle. The permit shall be carried in the vehicle for which it is issued and
33 shall be displayed so that it is visible from the rear of the vehicle. The fee
34 for such permit shall be \$1 ~~which~~ *and* shall be retained by the county
35 treasurer, who shall annually forward 25% of all such fees collected to the
36 division of vehicles to reimburse the division for administrative expenses,
37 and shall deposit the remainder in a special fund for expenses of issuing
38 such permits.

39 (h) A nonhighway vehicle or salvage vehicle for which a nonhighway
40 certificate of title or salvage title has been issued pursuant to this section
41 shall not be deemed a motor vehicle for the purposes of K.S.A. 40-3101 ~~to~~
42 *through* 40-3121, ~~inclusive~~, and amendments thereto, except when such
43 vehicle is being operated pursuant to subsection (g). Any person who

1 knowingly makes a false statement concerning financial security in
2 obtaining a permit pursuant to subsection (g), or who fails to obtain a
3 permit when required by law to do so is guilty of a class C misdemeanor.

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

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

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

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

22 (B) *the insurance claim for the vehicle has been closed without*
23 *payment or denied by the insurance company; and*

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

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

43 (3) *If the most recent ownership document for the vehicle was not*

1 *issued by this state, the application shall also include evidence of an*
2 *inspection of the vehicle completed pursuant to K.S.A. 8-116a, and*
3 *amendments thereto. The application shall also indicate whether a*
4 *certificate of title, a salvage title or a nonrepairable vehicle certificate*
5 *shall be issued for the vehicle.*

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

11 Sec. 3. K.S.A. 2020 Supp. 8-116a and 8-198 are hereby repealed.

12 Sec. 4. This act shall take effect and be in force from and after its
13 publication in the statute book.