

SENATE BILL No. 385

By Committee on Transportation

2-11

1 AN ACT concerning motor vehicles; relating to salvage titles; acquisition;
2 amending K.S.A. 2013 Supp. 8-198 and repealing the existing section.

3
4 *Be it enacted by the Legislature of the State of Kansas:*

5 Section 1. K.S.A. 2013 Supp. 8-198 is hereby amended to read as
6 follows: 8-198. (a) A nonhighway or salvage vehicle shall not be required
7 to be registered in this state, as provided in K.S.A. 8-135, and amendments
8 thereto, but nothing in this section shall be construed as abrogating,
9 limiting or otherwise affecting the provisions of K.S.A. 8-142, and
10 amendments thereto, which make it unlawful for any person to operate or
11 knowingly permit the operation in this state of a vehicle required to be
12 registered in this state.

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

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

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

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

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

1 (2) Every insurance company, which pursuant to a damage
2 settlement, acquires ownership of a vehicle that has incurred damage
3 requiring the vehicle to be designated a salvage vehicle, shall apply for a
4 salvage title within 60 days after the title is assigned and delivered by the
5 owner to the insurance company, with all liens released. *In the event that*
6 *an insurance company is unable to obtain voluntary assignment of the title*
7 *after 30 days from the date the vehicle owner enters into an oral or written*
8 *damage settlement agreement where the owner agrees to transfer the title,*
9 *the insurance company may submit an application on a form prescribed by*
10 *the division for a salvage title. The form shall be accompanied by an*
11 *affidavit from insurance company stating that the insurance company is*
12 *unable to obtain a transfer of the title from the owner following an oral or*
13 *written acceptance of an offer of damage settlement and evidence of the*
14 *damage settlement. The form shall also include the last-known address*
15 *of the owner of the vehicle, as well as any lienholder of record and the*
16 *insurance company shall attest that it has given notice to lienholders of*
17 *record and the last-known owner of the vehicle that it will apply for and*
18 *obtain a salvage title in its own name which will be deemed to transfer*
19 *legal ownership of the vehicle to the insurance company for failure to*
20 *transfer title to the insurance company under the damage settlement*
21 *with the owner. Upon receipt of the form, the division shall give written*
22 *notice to any lienholder of record and the owner that it will issue the*
23 *insurance company a certificate of title conveying ownership unless*
24 *within 30 days of such notice the owner or lienholder, as the case may*
25 *be, files an objection with the director of vehicles. Upon receipt of a*
26 *timely objection, the director shall cause the matter to be heard in*
27 *accordance with the provisions of the administrative procedure act for*
28 *purposes of determining whether or not there is a damage settlement*
29 *agreement under which the title should be issued to the insurance*
30 *company. In the event there is such an agreement, then the request of*
31 *the insurance company for a transfer of the title from the owner to the*
32 *insurance company may be ordered and the title issued to the insurance*
33 *company. Any lienholder whose lien has not been paid or released shall*
34 *retain its security interest in the vehicle.*

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

43 (4) The lessee of any vehicle which incurs damage requiring the

1 vehicle to be designated a salvage vehicle shall notify the lessor of this fact
2 within 30 days of the determination that the vehicle is a salvage vehicle.

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

6 (6) Every person acquiring ownership of a motor vehicle that meets
7 the definition of a salvage vehicle, for which a salvage title has not been
8 issued, shall apply for the required document prior to any further transfer
9 of such vehicle, but in no event, more than 60 days after ownership is
10 acquired.

11 (7) Every purchaser of a salvage vehicle, whether assigned a salvage
12 title or a regular certificate of title with the form specified in paragraph (2)
13 of subsection (b) attached, shall make application to the county treasurer
14 of the county in which such person resides for a new salvage title, in the
15 same manner and under the same condition as for an application for a
16 certificate of title under K.S.A. 8-135, and amendments thereto. Such
17 application shall be in the form prescribed by the director of vehicles and
18 shall contain substantially the same provisions as required for an
19 application under subsection (c)(1) of K.S.A. 8-135, and amendments
20 thereto. In addition, such application shall provide a place for the applicant
21 to certify that the vehicle for which the application for salvage title is made
22 is a salvage vehicle, and other provisions the director deems necessary.
23 Each application for a salvage title shall be accompanied by a fee of \$10
24 and if the application is not made to the county treasurer within the time
25 prescribed by K.S.A. 8-135, and amendments thereto, for making
26 application for a certificate of title thereunder, an additional fee of \$2.

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

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

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

1 (2) Upon transfer or sale of a nonhighway vehicle in a condition
2 which will allow the registration of such vehicle, the owner shall assign
3 the nonhighway certificate of title to the purchaser, and the purchaser shall
4 obtain a certificate of title and register such vehicle as provided in K.S.A.
5 8-135, and amendments thereto. No regular certificate of title shall be
6 issued for a vehicle for which there has been issued a nonhighway
7 certificate of title until there has been compliance with K.S.A. 8-116a, and
8 amendments thereto.

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

18 (B) As part of the inspection for a rebuilt salvage title conducted
19 under K.S.A. 8-116a, and amendments thereto, the Kansas highway patrol
20 shall attach a notice affixed to the left door frame of the rebuilt salvage
21 vehicle indicating the vehicle identification number of such vehicle and
22 that such vehicle is a rebuilt salvage vehicle. In addition to any fee allowed
23 under K.S.A. 8-116a, and amendments thereto, a fee of \$5 shall be
24 collected from the owner of such vehicle requesting the inspection for the
25 notice required under this paragraph. All moneys received under this
26 paragraph shall be remitted in accordance with subsection (e) of K.S.A. 8-
27 116a, and amendments thereto.

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

30 (g) The owner of a salvage vehicle which has been issued a salvage
31 title and has been assembled, reconstructed, reconstituted or restored or
32 otherwise placed in an operable condition may make application to the
33 county treasurer for a permit to operate such vehicle on the highways of
34 this state over the most direct route from the place such salvage vehicle is
35 located to a specified location named on the permit and to return to the
36 original location. No such permit shall be issued for any vehicle unless the
37 owner has motor vehicle liability insurance coverage or an approved self-
38 insurance plan under K.S.A. 40-3104, and amendments thereto. Such
39 permit shall be on a form furnished by the director of vehicles and shall
40 state the date the vehicle is to be taken to the other location, the name of
41 the insurer, as defined in K.S.A. 40-3103, and amendments thereto, and the
42 policy number or a statement that the vehicle is included in a self-
43 insurance plan approved by the commissioner of insurance, a statement

1 attesting to the correctness of the information concerning financial
2 security, the vehicle identification number and a description of the vehicle.
3 Such permit shall be signed by the owner of the vehicle. Permits issued
4 under this subsection (g) shall be prepared in triplicate. One copy shall be
5 carried in the vehicle for which it is issued and shall be displayed so that it
6 is visible from the rear of the vehicle. The second copy shall be retained by
7 the county treasurer, and the third copy shall be forwarded by the county
8 treasurer to the division of vehicles. The fee for such permit shall be \$1
9 which shall be retained by the county treasurer, who shall annually
10 forward 25% of all such fees collected to the division of vehicles to
11 reimburse the division for administrative expenses, and shall deposit the
12 remainder in a special fund for expenses of issuing such permits.

13 (h) A nonhighway vehicle or salvage vehicle for which a nonhighway
14 certificate of title or salvage title has been issued pursuant to this section
15 shall not be deemed a motor vehicle for the purposes of K.S.A. 40-3101 to
16 40-3121, inclusive, and amendments thereto, except when such vehicle is
17 being operated pursuant to subsection (g). Any person who knowingly
18 makes a false statement concerning financial security in obtaining a permit
19 pursuant to subsection (g), or who fails to obtain a permit when required
20 by law to do so is guilty of a class C misdemeanor.

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

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

31 Sec. 2. K.S.A. 2013 Supp. 8-198 is hereby repealed.

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