

*As Further Amended by Senate Committee*

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*Session of 2014*

**SENATE BILL No. 385**

By Committee on Transportation

2-11

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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

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

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

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

41   (d) (1) Except as otherwise provided by this section, the owner of a  
42   vehicle that meets the definition of a salvage vehicle shall apply for a  
43   salvage title before the ownership of the motor vehicle is transferred. In no

1 event shall such application be made more than 60 days after the vehicle is  
2 determined to be a salvage vehicle.

3 (2) Every insurance company, which pursuant to a damage  
4 settlement, acquires ownership of a vehicle that has incurred damage  
5 requiring the vehicle to be designated a salvage vehicle, shall apply for a  
6 salvage title within 60 days after the title is assigned and delivered by the  
7 owner to the insurance company, with all liens released. *In the event that*  
8 *an insurance company is unable to obtain voluntary assignment of the title*  
9 *after 30 days from the date the vehicle owner enters into an oral or written*  
10 *damage settlement agreement where the owner agrees to transfer the title,*  
11 *the insurance company may submit an application on a form prescribed by*  
12 *the division for a salvage title. The form shall be accompanied by an*  
13 *affidavit from insurance company stating that: (A) The insurance company*  
14 *is unable to obtain a transfer of the title from the owner following an oral*  
15 *or written acceptance of an offer of damage settlement*~~and; (B) there is~~  
16 ~~evidence of the damage settlement. The form shall also include the last-~~  
17 ~~known address of the owner of the vehicle, as well as any lienholder of~~  
18 ~~record and the insurance company shall attest that it has given notice to~~  
19 ~~lienholders of record and the last-known owner of the vehicle that it will~~  
20 ~~apply for and obtain a salvage title in its own name which will be~~  
21 ~~deemed to transfer legal ownership of the vehicle to the insurance-~~  
22 ~~company for failure to transfer title to the insurance company under the~~  
23 ~~damage settlement with the owner. Upon receipt of the form, the division~~  
24 ~~shall give written notice to any lienholder of record and the owner that it~~  
25 ~~will issue the insurance company a certificate of title conveying-~~  
26 ~~ownership unless within 30 days of such notice the owner or lienholder,~~  
27 ~~as the case may be, files an objection with the director of vehicles. Upon~~  
28 ~~receipt of a timely objection, the director shall cause the matter to be~~  
29 ~~heard in accordance with the provisions of the administrative procedure~~  
30 ~~act for purposes of determining whether or not there is a damage-~~  
31 ~~settlement agreement under which the title should be issued to the-~~  
32 ~~insurance company. In the event there is such an agreement, then the~~  
33 ~~request of the insurance company for a transfer of the title from the~~  
34 ~~owner to the insurance company may be ordered and the title issued to~~  
35 ~~the insurance company. Any lienholder whose lien has not been paid or~~  
36 ~~released shall retain its security interest in the vehicle; (C) that there are~~  
37 ~~no existing liens on the vehicle or all liens on the vehicle have been~~  
38 ~~released; (D) the insurance company has physical possession of the~~  
39 ~~vehicle; and (E) the insurance company has provided the owner, at the~~  
40 ~~owner's last known address, 30 days prior notice of such intent to~~  
41 ~~transfer and the owner has not delivered a written objection to the~~  
42 ~~insurance company.~~

43 (3) Every insurance company which makes a damage settlement for a

1 vehicle that has incurred damage requiring such vehicle to be designated a  
2 salvage vehicle, but does not acquire ownership of the vehicle, shall notify  
3 the vehicle owner of the owner's obligation to apply for a salvage title for  
4 the motor vehicle, and shall notify the division of this fact in accordance  
5 with procedures established by the division. The vehicle owner shall apply  
6 for a salvage title within 60 days after being notified by the insurance  
7 company.

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

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

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

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

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

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

1 information the director deems necessary.

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

9 (2) Upon transfer or sale of a nonhighway vehicle in a condition  
10 which will allow the registration of such vehicle, the owner shall assign  
11 the nonhighway certificate of title to the purchaser, and the purchaser shall  
12 obtain a certificate of title and register such vehicle as provided in K.S.A.  
13 8-135, and amendments thereto. No regular certificate of title shall be  
14 issued for a vehicle for which there has been issued a nonhighway  
15 certificate of title until there has been compliance with K.S.A. 8-116a, and  
16 amendments thereto.

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

26 (B) As part of the inspection for a rebuilt salvage title conducted  
27 under K.S.A. 8-116a, and amendments thereto, the Kansas highway patrol  
28 shall attach a notice affixed to the left door frame of the rebuilt salvage  
29 vehicle indicating the vehicle identification number of such vehicle and  
30 that such vehicle is a rebuilt salvage vehicle. In addition to any fee allowed  
31 under K.S.A. 8-116a, and amendments thereto, a fee of \$5 shall be  
32 collected from the owner of such vehicle requesting the inspection for the  
33 notice required under this paragraph. All moneys received under this  
34 paragraph shall be remitted in accordance with subsection (e) of K.S.A. 8-  
35 116a, and amendments thereto.

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

38 (g) The owner of a salvage vehicle which has been issued a salvage  
39 title and has been assembled, reconstructed, reconstituted or restored or  
40 otherwise placed in an operable condition may make application to the  
41 county treasurer for a permit to operate such vehicle on the highways of  
42 this state over the most direct route from the place such salvage vehicle is  
43 located to a specified location named on the permit and to return to the

1 original location. No such permit shall be issued for any vehicle unless the  
2 owner has motor vehicle liability insurance coverage or an approved self-  
3 insurance plan under K.S.A. 40-3104, and amendments thereto. Such  
4 permit shall be on a form furnished by the director of vehicles and shall  
5 state the date the vehicle is to be taken to the other location, the name of  
6 the insurer, as defined in K.S.A. 40-3103, and amendments thereto, and the  
7 policy number or a statement that the vehicle is included in a self-  
8 insurance plan approved by the commissioner of insurance, a statement  
9 attesting to the correctness of the information concerning financial  
10 security, the vehicle identification number and a description of the vehicle.  
11 Such permit shall be signed by the owner of the vehicle. Permits issued  
12 under this subsection (g) shall be prepared in triplicate. One copy shall be  
13 carried in the vehicle for which it is issued and shall be displayed so that it  
14 is visible from the rear of the vehicle. The second copy shall be retained by  
15 the county treasurer, and the third copy shall be forwarded by the county  
16 treasurer to the division of vehicles. The fee for such permit shall be \$1  
17 which shall be retained by the county treasurer, who shall annually  
18 forward 25% of all such fees collected to the division of vehicles to  
19 reimburse the division for administrative expenses, and shall deposit the  
20 remainder in a special fund for expenses of issuing such permits.

21 (h) A nonhighway vehicle or salvage vehicle for which a nonhighway  
22 certificate of title or salvage title has been issued pursuant to this section  
23 shall not be deemed a motor vehicle for the purposes of K.S.A. 40-3101 to  
24 40-3121, inclusive, and amendments thereto, except when such vehicle is  
25 being operated pursuant to subsection (g). Any person who knowingly  
26 makes a false statement concerning financial security in obtaining a permit  
27 pursuant to subsection (g), or who fails to obtain a permit when required  
28 by law to do so is guilty of a class C misdemeanor.

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

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

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

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