SENATE BILL No. 306

By Committee on Transportation

AN ACT concerning motor vehicles; relating to odometer requirements upon transfer of vehicle; amending K.S.A. 2019 Supp. 8-135 and repealing the existing section.

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

Section 1. K.S.A. 2019 Supp. 8-135 is hereby amended to read as follows: 8-135. (a) Upon the transfer of ownership of any vehicle registered under this act, the registration of the vehicle and the right to use any license plate thereon shall expire and thereafter there shall be no transfer of any registration, and the license plate shall be removed by the owner thereof. Except as provided in K.S.A. 8-172, and amendments thereto, and 8-1,147, and amendments thereto, it shall be unlawful for any person, other than the person to whom the license plate was originally issued, to have possession thereof. When the ownership of a registered vehicle is transferred, the original owner of the license plate may register another vehicle under the same number, upon application and payment of a fee of $1.50, if such other vehicle does not require a higher license fee. If a higher license fee is required, then the transfer may be made upon the payment of the transfer fee of $1.50 and the difference between the fee originally paid and that due for the new vehicle.

(b) Subject to the provisions of K.S.A. 8-198(a), and amendments thereto, upon the transfer or sale of any vehicle by any person or dealer, or upon any transfer in accordance with K.S.A. 59-3511, and amendments thereto, the new owner thereof, within 60 days, inclusive of weekends and holidays, from date of such transfer shall make application to the division for registration or reregistration of the vehicle, but no person shall operate the vehicle on any highway in this state during the sixty-day period without having applied for and obtained temporary registration from the county treasurer or from a dealer. After the expiration of the sixty-day period, it shall be unlawful for the owner or any other person to operate such vehicle upon the highways of this state unless the vehicle has been registered as provided in this act. For failure to make application for registration as provided in this section, a penalty of $2 shall be added to other fees. When a person has a current motorcycle or passenger vehicle registration and license plate, including any registration decal affixed thereto, for a vehicle and has sold or otherwise disposed of the vehicle and
has acquired another motorcycle or passenger vehicle and intends to
transfer the registration and the license plate to the motorcycle or
passenger vehicle acquired, but has not yet had the registration transferred
in the office of the county treasurer, such person may operate the
motorcycle or passenger vehicle acquired for a period of not to exceed 60
days by displaying the license plate on the rear of the vehicle acquired. If
the acquired vehicle is a new vehicle such person also must carry the
assigned certificate of title or manufacturer's statement of origin when
operating the acquired vehicle, except that a dealer may operate such
vehicle by displaying such dealer's dealer license plate.

(c) Certificate of title: No vehicle required to be registered shall be
registered or any license plate or registration decal issued therefor, unless
the applicant for registration shall present satisfactory evidence of
ownership and apply for an original certificate of title for such vehicle.
The following paragraphs of this subsection shall apply to the issuance of
a certificate of title for a nonhighway vehicle, salvage vehicle or rebuilt
salvage vehicle, as defined in K.S.A. 8-197, and amendments thereto,
except to the extent such paragraphs are made inapplicable by or are
inconsistent with K.S.A. 8-198, and amendments thereto, and to any
electronic certificate of title, except to the extent such paragraphs are made
inapplicable by or are inconsistent with K.S.A. 2019 Supp. 8-135d, and
amendments thereto, or with rules and regulations adopted pursuant to

The provisions of paragraphs (1) through (14) shall apply to any
certificate of title issued prior to January 1, 2003, which indicates that
there is a lien or encumbrance on such vehicle.

(1) An application for certificate of title shall be made by the owner
or the owner's agent upon a form furnished by the division and shall state
all liens or encumbrances thereon, and such other information as the
division may require. Notwithstanding any other provision of this section,
no certificate of title shall be issued for a vehicle having any unreleased
lien or encumbrance thereon, unless the transfer of such vehicle has been
consented to in writing by the holder of the lien or encumbrance. Such
consent shall be in a form approved by the division. In the case of
members of the armed forces of the United States while the United States
is engaged at war with any foreign nation and for a period of six months
next following the cessation of hostilities, such application may be signed
by the owner's spouse, parents, brother or sister. The county treasurer shall
use reasonable diligence in ascertaining whether the facts stated in such
application are true, and if satisfied that the applicant is the lawful owner
of such vehicle, or otherwise entitled to have the same registered in such
applicant's name, shall so notify the division, who shall issue an
appropriate certificate of title. The certificate of title shall be in a form
approved by the division, and shall contain a statement of any liens or encumbrances which the application shows, and such other information as the division determines.

(2) The certificate of title shall contain upon the reverse side a form for assignment of title to be executed by the owner. This assignment shall contain a statement of all liens or encumbrances on the vehicle at the time of assignment. The certificate of title shall also contain on the reverse side blank spaces so that an abstract of mileage as to each owner will be available. The seller at the time of each sale shall insert and certify the mileage and the purchase price on the form filed for application or reassignment of title, and the division shall insert such mileage on the certificate of title when issued to purchaser or assignee. The signature of the purchaser or assignee is required on the form filed for application or reassignment of title, acknowledging the odometer and purchase price certification made by the seller, except that those vehicles which are 10 model years or older and trucks with a gross vehicle weight of more than 16,000 pounds shall be exempt from the mileage acknowledgment requirement of the purchaser or assignee that are exempt from odometer requirements pursuant to federal law shall be exempt from such requirement. Such title shall indicate whether the vehicle for which it is issued has been titled previously as a nonhighway vehicle or salvage vehicle. In addition, the reverse side shall contain two forms for reassignment by a dealer, stating the liens or encumbrances thereon. The first form of reassignment shall be used only when a dealer sells the vehicle to another dealer. The second form of reassignment shall be used by a dealer when selling the vehicle to another dealer or the ultimate owner of the vehicle. The reassignment by a dealer shall be used only where the dealer resells the vehicle, and during the time that the vehicle remains in the dealer's possession for resale, the certificate of title shall be dormant. When the ownership of any vehicle passes by operation of law, or repossession upon default of a lease, security agreement, or executory sales contract, the person owning such vehicle, upon furnishing satisfactory proof to the county treasurer of such ownership, may procure a certificate of title to the vehicle. When a vehicle is registered in another state and is repossessed in another state, the owner of such vehicle shall not be entitled to obtain a valid Kansas title or registration, except that when a vehicle is registered in another state, but is financed originally by a financial institution chartered in the state of Kansas or when a financial institution chartered in Kansas purchases a pool of motor vehicle loans from the resolution trust corporation or a federal regulatory agency, and the vehicle is repossessed in another state, such Kansas financial institution shall be entitled to obtain a valid Kansas title or registration. In addition to any other fee required for the issuance of a certificate of title,
any applicant obtaining a certificate of title for a repossessed vehicle shall pay a fee of $3.

(3) Dealers shall execute, upon delivery to the purchaser of every new vehicle, a manufacturer's statement of origin stating the liens and encumbrances thereon. Such statement of origin shall be delivered to the purchaser at the time of delivery of the vehicle or at a time agreed upon by the parties, not to exceed 30 days, inclusive of weekends and holidays. The agreement of the parties shall be executed on a form approved by the division. In the event delivery of title cannot be made personally, the seller may deliver the manufacturer's statement of origin by restricted mail to the address of the purchaser shown on the purchase agreement. The manufacturer's statement of origin may include an attachment containing assignment of such statement of origin on forms approved by the division. Upon the presentation to the division of a manufacturer's statement of origin, by a manufacturer or dealer for a new vehicle, sold in this state, a certificate of title shall be issued if there is also an application for registration, except that no application for registration shall be required for a travel trailer used for living quarters and not operated on the highways.

(4) The fee for each original certificate of title shall be $10 in addition to the fee for registration of such vehicle, trailer or semitrailer. The certificate of title shall be good for the life of the vehicle, trailer or semitrailer while owned or held by the original holder of the certificate of title.

(5) Except for a vehicle registered by a federally recognized Indian tribe, as provided in paragraph (16), upon sale and delivery to the purchaser of every vehicle subject to a purchase money security interest as provided in article 9 of chapter 84 of the Kansas Statutes Annotated, and amendments thereto, the dealer or secured party may complete a notice of security interest and when so completed, the purchaser shall execute the notice, in a form prescribed by the division, describing the vehicle and showing the name and address of the secured party and of the debtor and other information the division requires. On and after July 1, 2007, only one lien shall be taken or accepted for vehicles with a gross vehicle weight rating of 26,000 pounds or less. As used in this section "gross vehicle weight rating" shall have the meaning ascribed thereto in 49 C.F.R. § 390.5, as in effect on July 1, 2017, or any later version as established in rules and regulations adopted by the state corporation commission. The dealer or secured party, within 30 days of the sale and delivery, may mail or deliver the notice of security interest, together with a fee of $2.50, to the division. The notice of security interest shall be retained by the division until it receives an application for a certificate of title to the vehicle and a certificate of title is issued. The certificate of title shall indicate any security interest in the vehicle. Upon issuance of the certificate of title, the
division shall mail or deliver confirmation of the receipt of the notice of security interest, the date the certificate of title is issued and the security interest indicated, to the secured party at the address shown on the notice of security interest. The proper completion and timely mailing or delivery of a notice of security interest by a dealer or secured party shall perfect a security interest in the vehicle, as referenced in K.S.A. 2019 Supp. 84-9-311, and amendments thereto, on the date of such mailing or delivery. The county treasurers shall mail a copy of the title application to the lienholder. For any vehicle subject to a lien, the county treasurer, division or contractor shall collect from the applicant a $1.50 service fee for processing and mailing a copy of the title application to the lienholder.

(6) It shall be unlawful for any person to operate in this state a vehicle required to be registered under this act, or to transfer the title to any such vehicle to any person or dealer, unless a certificate of title has been issued as herein provided. In the event of a sale or transfer of ownership of a vehicle for which a certificate of title has been issued, which certificate of title is in the possession of the transferor at the time of delivery of the vehicle, the holder of such certificate of title shall endorse on the same an assignment thereof, with warranty of title in a form prescribed by the division and printed thereon and the transferor shall deliver the same to the buyer at the time of delivery to the buyer of the vehicle or at a time agreed upon by the parties, not to exceed 60 days, inclusive of weekends and holidays, after the time of delivery. The agreement of the parties shall be executed on a form provided by the division. The requirements of this paragraph concerning delivery of an assigned title are satisfied if the transferor mails to the transferee by restricted mail the assigned certificate of title within 60 days, and if the transferor is a dealer, as defined by K.S.A. 8-2401, and amendments thereto, such transferor shall be deemed to have possession of the certificate of title if the transferor has made application therefor to the division. The buyer shall then present such assigned certificate of title to the division at the time of making application for registration of such vehicle. A new certificate of title shall be issued to the buyer, upon payment of the fee of $10. If such vehicle is sold to a resident of another state or country, the dealer or person making the sale shall notify the division of the sale and the division shall make notation thereof in the records of the division. When a person acquires a security interest that such person seeks to perfect on a vehicle subsequent to the issuance of the original title on such vehicle, such person shall require the holder of the certificate of title to surrender the same and sign an application for a mortgage title in form prescribed by the division. Upon such surrender such person shall immediately deliver the certificate of title, application, and a fee of $10 to the division. Delivery of the surrendered title, application and tender of the required fee shall perfect a
security interest in the vehicle as referenced in K.S.A. 2019 Supp. 84-9-311, and amendments thereto. On and after July 1, 2007, only one lien may be taken or accepted for security for an obligation to be secured by a lien to be shown on a certificate of title for vehicles with a gross vehicle weight rating, as defined in 49 C.F.R. § 390.5, as in effect on July 1, 2017, or any later version as established in rules and regulations adopted by the state corporation commission, of 26,000 pounds or less. A refinancing shall not be subject to the limitations of this act. A refinancing is deemed to occur when the original obligation is satisfied and replaced by a new obligation. Lien obligations created before July 1, 2007, which are of a continuing nature shall not be subject to the limitations of this act until the obligation is satisfied. A lien in violation of this provision is void. Upon receipt of the surrendered title, application and fee, the division shall issue a new certificate of title showing the liens or encumbrances so created, but only one lien or encumbrance may be shown upon a title for vehicles with a gross vehicle rating of 26,000 pounds or less, and not more than two liens or encumbrances may be shown upon a title for vehicles in excess of 26,000 pounds gross vehicle weight rating. When a prior lienholder's name is removed from the title, there must be satisfactory evidence presented to the division that the lien or encumbrance has been paid. When the indebtedness to a lienholder, whose name is shown upon a title, is paid in full, such lienholder shall comply with the provisions of K.S.A. 2019 Supp. 8-1,157, and amendments thereto.

(7) It shall be unlawful for any person to buy or sell in this state any vehicle required to be registered, unless, at the time of delivery thereof or at a time agreed upon by the parties, not to exceed 60 days, inclusive of weekends and holidays, after the time of delivery, there shall pass between the parties a certificate of title with an assignment thereof. The sale of a vehicle required to be registered under the laws of this state, without assignment of the certificate of title, is fraudulent and void, unless the parties shall agree that the certificate of title with assignment thereof shall pass between them at a time other than the time of delivery, but within 60 days thereof. The requirements of this paragraph concerning delivery of an assigned title shall be satisfied if: (A) The seller mails to the purchaser by restricted mail the assigned certificate of title within 60 days; or (B) if the transferor is a dealer, as defined by K.S.A. 8-2401, and amendments thereto, such seller shall be deemed to have possession of the certificate of title if such seller has made application therefor to the division; or (C) if the transferor is a dealer and has assigned a title pursuant to subsection (c) (9).

(8) In cases of sales under the order of a court of a vehicle required to be registered under this act, the officer conducting such sale shall issue to the purchaser a certificate naming the purchaser and reciting the facts of
the sale, which certificate shall be prima facie evidence of the ownership
of such purchaser for the purpose of obtaining a certificate of title to such
motor vehicle and for registering the same. Any such purchaser shall be
allowed 60 days, inclusive of weekends and holidays, from the date of sale
to make application to the division for a certificate of title and for the
registering of such motor vehicle.

(9) Any dealer who has acquired a vehicle, the title for which was
issued under the laws of and in a state other than the state of Kansas, shall
not be required to obtain a Kansas certificate of title therefor during the
time such vehicle remains in such dealer's possession and at such dealer's
place of business for the purpose of sale. The purchaser or transferee shall
present the assigned title to the division of vehicles when making
application for a certificate of title as provided in subsection (c)(1).

(10) Motor vehicles may be held and titled in transfer-on-death form.

(11) Notwithstanding the provisions of this act with respect to time
requirements for delivery of a certificate of title, or manufacturer's
statement of origin, as applicable, any person who chooses to reaffirm the
sale in writing on a form approved by the division which advises them of
their rights pursuant to subsection (c)(7) and who has received and
accepted assignment of the certificate of title or manufacturer's statement
of origin for the vehicle in issue may not thereafter void or set aside the
transaction with respect to the vehicle for the reason that a certificate of
title or manufacturer's statement of origin was not timely delivered, and in
such instances the sale of a vehicle shall not be deemed to be fraudulent
and void for that reason alone.

(12) The owner of any vehicle assigning a certificate of title in
accordance with the provisions of this section may file with the division a
form indicating that such owner has assigned such certificate of title. Such
forms shall be furnished by the division and shall contain such information
as the division may require. Any owner filing a form as provided in this
paragraph shall pay a fee of $10. The filing of such form shall be prima
facie evidence that such certificate of title was assigned and shall create a
rebuttable presumption. If the assignee of a certificate of title fails to make
application for registration, an owner assigning such title and filing the
form in accordance with the provisions of this paragraph shall not be held
liable for damages resulting from the operation of such vehicle.

(13) Application for a certificate of title on a boat trailer with a gross
weight over 2,000 pounds shall be made by the owner or the owner's agent
upon a form to be furnished by the division and shall contain such
information as the division shall determine necessary. The division may
waive any information requested on the form if it is not available. The
application together with a bill of sale for the boat trailer shall be accepted
as prima facie evidence that the applicant is the owner of the boat trailer,
provided that a Kansas title for such trailer has not previously been issued. If the application and bill of sale are used to obtain a certificate of title for a boat trailer under this paragraph, the certificate of title shall not be issued until an inspection in accordance with K.S.A. 8-116a(a), and amendments thereto, has been completed.

(14) In addition to the two forms for reassignment under subsection (c)(2), a dealer may attach one additional reassignment form to a certificate of title. The director of vehicles shall prescribe and furnish such reassignment forms. The reassignment form shall be used by a dealer when selling the vehicle to another dealer or the ultimate owner of the vehicle only when the two reassignment forms under subsection (c)(2) have already been used. The fee for a reassignment form shall be $6.50. A dealer may purchase reassignment forms in multiples of five upon making proper application and the payment of required fees.

(15) A first stage manufacturer, as defined in K.S.A. 8-2401, and amendments thereto, who manufactures a motor vehicle in this state, and who sells such motor vehicles to dealers located in a foreign country, may execute a manufacturer's statement of origin to the division of vehicles for the purpose of obtaining an export certificate of title. The motor vehicle issued an export certificate of title shall not be required to be registered in this state. An export certificate of title shall not be used to register such vehicle in the United States.

(16) A security interest in a vehicle registered by a federally recognized Indian tribe shall be deemed valid under Kansas law if validly perfected under the applicable tribal law and the lien is noted on the face of the tribal certificate of title.

(17) On and after January 1, 2010, a certificate of title issued for a rebuilt salvage vehicle for the initial time, shall indicate on such title, the reduced classification of such vehicle as provided under K.S.A. 79-5104, and amendments thereto.

Sec. 2. K.S.A. 2019 Supp. 8-135 is hereby repealed.

Sec. 3. This act shall take effect and be in force from and after January 1, 2021, and its publication in the statute book.