

SENATE BILL No. 441

By Committee on Ways and Means

2-21

1 AN ACT concerning certificates of title for certain motor vehicles;
2 amending K.S.A. 2011 Supp. 8-198 and repealing the existing section.

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

5 New Section 1. (a) If motor vehicle has been stolen and the insurer
6 has written off such vehicle as a total loss and applied for a salvage title,
7 the salvage title shall be replaced by the division with a certificate of title
8 marked vehicle-theft recovery whenever:

9 (1) The stolen motor vehicle is recovered; and

10 (2) within 30 days of the date when the stolen motor vehicle was
11 recovered, the insurer has inspected such recovered stolen motor vehicle
12 and applied for a certificate of title marked as vehicle-recovered theft as
13 follows:

14 (A) If the vehicle has no damage or if the vehicle has damage and the
15 cost of repair is less than \$5,000 and the vehicle has been repaired and
16 determined to meet all requirement for such vehicle to be driven on the
17 highways of this state, the insurer shall surrender the existing salvage title
18 to the division. The division shall promptly issue a title marked as a
19 vehicle-recovered theft with no damage disclosure notation; or

20 (B) If the vehicle has damage and the cost of repair is equal to or
21 greater than \$5,000, the insurer shall surrender the existing salvage title to
22 the division. The division shall promptly issue a title marked as a vehicle-
23 recovered theft with the damage disclosure notation, except that if the
24 condition of the vehicle is such that due to the damage to the vehicle, such
25 vehicle would have been determined to be a salvage vehicle, the salvage
26 title shall be retained and the insurer or self-insurer shall not be required to
27 apply for a certificate of title pursuant to this section.

28 (b) For the purposes of this section:

29 (1) "Cost of repairs" shall have the meaning specified in K.S.A. 2011
30 Supp. 8-197, and amendments thereto.

31 (2) "Division" shall have the meaning specified in K.S.A. 8-126, and
32 amendments thereto.

33 (3) "Salvage title" shall have the meaning specified in K.S.A. 2011
34 Supp. 8-197, and amendments thereto.

35 (4) "Salvage vehicle" shall have the meaning specified in K.S.A.
36 2011 Supp. 8-197, and amendments thereto.

1 Sec. 2. K.S.A. 2011 Supp. 8-198 is hereby amended to read as
2 follows: 8-198. (a) A nonhighway or salvage vehicle shall not be required
3 to be registered in this state, as provided in K.S.A. 8-135, and amendments
4 thereto, but nothing in this section shall be construed as abrogating,
5 limiting or otherwise affecting the provisions of K.S.A. 8-142, and
6 amendments thereto, which make it unlawful for any person to operate or
7 knowingly permit the operation in this state of a vehicle required to be
8 registered in this state.

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

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

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

38 (3) If the transferor is not a vehicle dealer, as defined in K.S.A. 8-
39 2401, and amendments thereto, and a certificate of title has not been issued
40 for the vehicle under this section or a certificate of title was not required
41 under K.S.A. 8-135, and amendments thereto, the transferor shall make
42 application to the division for a nonhighway certificate of title or salvage
43 title, whichever is applicable, as provided in this section, except that in

1 addition thereto, the division shall require a bill of sale or such transferor's
2 affidavit, with at least one other corroborating affidavit, that such
3 transferor is the owner of such nonhighway vehicle or salvage vehicle. If
4 the division is satisfied that the transferor is the owner, the division shall
5 issue a nonhighway certificate of title or salvage title, whichever is
6 applicable, for such vehicle, and the transferor shall assign the same to the
7 purchaser, who shall make application for a new nonhighway certificate of
8 title or salvage title, whichever is applicable, as provided in subsection (c)
9 or (d).

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

28 (d) (1) Except as otherwise provided by this section *or by section 1,*
29 *and amendments thereto,* the owner of a vehicle that meets the definition
30 of a salvage vehicle shall apply for a salvage title before the ownership of
31 the motor vehicle is transferred. In no event shall such application be made
32 more than 30 days after the vehicle is determined to be a salvage vehicle.

33 (2) *Except as provided in section 1, and amendments thereto,* every
34 insurance company, which pursuant to a damage settlement, acquires
35 ownership of a vehicle that has incurred damage requiring the vehicle to
36 be designated a salvage vehicle, shall apply for a salvage title within 30
37 days after the title is assigned and delivered by the owner to the insurance
38 company, with all liens released.

39 (3) *Except as provided in section 1, and amendments thereto,* every
40 insurance company which makes a damage settlement for a vehicle that
41 has incurred damage requiring such vehicle to be designated a salvage
42 vehicle, but does not acquire ownership of the vehicle, shall notify the
43 vehicle owner of the owner's obligation to apply for a salvage title for the

1 motor vehicle, and shall notify the division of this fact in accordance with
2 procedures established by the division. The vehicle owner shall apply for a
3 salvage title within 30 days after being notified by the insurance company.

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

7 (5) The lessor of any motor vehicle which has incurred damage
8 requiring the vehicle to be titled as a salvage vehicle, shall apply for a
9 salvage title within 30 days after being notified of this fact by the lessee.

10 (6) Every person acquiring ownership of a motor vehicle that meets
11 the definition of a salvage vehicle, for which a salvage title has not been
12 issued, shall apply for the required document prior to any further transfer
13 of such vehicle, but in no event, more than 30 days after ownership is
14 acquired.

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

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

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

41 (f) (1) A nonhighway certificate of title or salvage title may be
42 transferred in the same manner and under the same conditions as
43 prescribed by K.S.A. 8-135, and amendments thereto, for the transfer of a

1 certificate of title, except as otherwise provided in this section. A
2 nonhighway certificate of title or salvage title may be assigned and
3 transferred only while the vehicle remains a nonhighway vehicle or
4 salvage vehicle.

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

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

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

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

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

1 state the date the vehicle is to be taken to the other location, the name of
2 the insurer, as defined in K.S.A. 40-3103, and amendments thereto, and the
3 policy number or a statement that the vehicle is included in a self-
4 insurance plan approved by the commissioner of insurance, a statement
5 attesting to the correctness of the information concerning financial
6 security, the vehicle identification number and a description of the vehicle.
7 Such permit shall be signed by the owner of the vehicle. Permits issued
8 under this subsection (g) shall be prepared in triplicate. One copy shall be
9 carried in the vehicle for which it is issued and shall be displayed so that it
10 is visible from the rear of the vehicle. The second copy shall be retained by
11 the county treasurer, and the third copy shall be forwarded by the county
12 treasurer to the division of vehicles. The fee for such permit shall be \$1
13 which shall be retained by the county treasurer, who shall annually
14 forward 25% of all such fees collected to the division of vehicles to
15 reimburse the division for administrative expenses, and shall deposit the
16 remainder in a special fund for expenses of issuing such permits.

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

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

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

35 Sec. 3. K.S.A. 2011 Supp. 8-198 is hereby repealed.

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