

HOUSE BILL No. 2212

By Committee on Transportation

1-25

9 AN ACT concerning title loans.

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

12 Section 1. (a) As used in this section:

13 (1) "Title loan" means any consumer loan as defined by subsection
14 (17) of K.S.A. 16a-1-301, and amendments thereto, which is made by a
15 creditor subject to the provisions of K.S.A. 16a-1-101 et seq., and amend-
16 ments thereto, which is also intended to be secured by a vehicle required
17 to have a certificate of title according to the provisions of K.S.A. 8-135,
18 and amendments thereto.

19 (2) "Title lender" means any person engaged in the business of mak-
20 ing title loans.

21 (b) A title lender shall not enter into a title loan unless the consumer
22 presents clear title to the vehicle intended to secure the transaction at
23 the time the consumer loan is made.

24 (c) A title lender shall not take or accept a second lien on a vehicle
25 to secure a title loan. For purposes of this act, a refinancing of the first
26 lien shall not be considered taking or accepting a second lien. A refi-
27 nancing occurs when the original obligation is satisfied and replaced by
28 a new obligation.

29 (d) Any lien secured by a vehicle in violation of this section shall be
30 void.

31 (e) The provisions of this section shall be part of and supplemental
32 to the Kansas uniform consumer credit code.

33 Sec. 2. This act shall take effect and be in force from and after its
34 publication in the statute book.