

SESSION OF 2004

**CONFERENCE COMMITTEE REPORT BRIEF ON
HOUSE BILL NO. 2745**

As Agreed to April 1, 2004

Brief*

HB 2745 pertains to the definition of "fleet motor vehicles" and to salvage vehicles.

Fleet Motor Vehicles

The bill would amend the definition of fleet vehicles to allow commercial motor vehicle fleets of 250 or more vehicles to register the vehicles electronically and receive permanent license plates. These vehicles must be registered for a gross weight of at least 12,000 pounds but not more than 26,000 pounds. Also, only vehicles that are state assessed for property tax purposes (for-hire motor carriers) or vehicles that are exempt from the property tax would be eligible for the registration.

Salvage Vehicles

The bill also would amend existing law to create a standard for designation of damaged late model vehicles as salvage vehicles and requirements for vehicle owners to obtain salvage titles. The bill would create a penalty for failure to obtain a salvage title. The bill also would create a procedure by which a rebuilt salvage vehicle would be permanently identified as such.

Salvage vehicles. The bill would amend the definition of salvage vehicle to include a "late model vehicle" as a vehicle less than seven years old that has sustained damage to the extent that the total cost of repair would be 75 percent or more than the fair marked value of the vehicle prior to the damage. Such damage would not include any merely cosmetic damage due to windstorm or hail.

*Conference committee report briefs are prepared by the Legislative Research Department and do not express legislative intent. No summary is prepared when the report is an agreement to disagree. The conference committee summary report may be accessed on the Internet at <http://www.kslegislature.org>

The bill would create a definition of, "fair market value" as the retail value of a motor vehicle:

- ! as set forth in a current edition of any nationally recognized compilation, including an automated database of retail value; or
- ! determined pursuant to a market survey of comparable vehicles with regard to condition and equipment.

"Cost of repair" would be defined as the estimated or actual retail cost of parts and labor needed to repair the vehicle to its condition immediately before it was wrecked or damaged.

Salvage title. The bill would provide that owners of salvage vehicles would be required to apply for a salvage title prior to any transfer of ownership of the vehicle or within 30 days of determination that a vehicle is a salvage vehicle. Anyone who acquires a salvage vehicle that does not have a salvage title would be required to apply for a salvage title for that vehicle within 30 days of acquiring the vehicle.

Insurance companies that acquire a vehicle damaged to the extent that it is designated a salvage vehicle, would be required to apply for a salvage title within 30 days of obtaining the title. Any insurance company that makes a damage settlement for a salvage vehicle, but which does not assume ownership of the vehicle, would be required to notify the owner of the owner's obligation to apply for a salvage title. The vehicle's owner in those instances would be required to apply for a salvage title within 30 days of receiving notice from the insurance company and the insurance company would be required to notify the Division of Vehicles of the fact that the vehicle meets the definition of a salvage vehicle.

Any lessee of a vehicle that is damaged enough to be designated a salvage vehicle would be required to notify the lessor of the status of the vehicle with 30 days of the determination that it is a salvage vehicle. The lessor in those instances, would be required to apply for a salvage title within 30 days of receiving such notification from the lessee.

A \$10 fee would be charged for salvage title applications. A late fee of \$2 would be applied if the application for salvage title is not made within statutory time limits. Failure to apply for a salvage title

as required by the act would be a class C nonperson misdemeanor. That same penalty would accrue to failure to apply for a rebuilt salvage title as required by existing law.

Identification of rebuilt salvage vehicles. Owners of rebuilt salvage vehicles, defined in existing law, would be required to have attached to the vehicle's left door frame by the Kansas Highway Patrol, a permanent notice that the vehicle is a rebuilt salvage vehicle. The required notice would have to be on the vehicle prior to transfer to the next owner after the vehicle has been rebuilt. The bill would prohibit removal, obliteration, or alteration of any such notice. Those acts, or failure to have the notice placed on the vehicle, would be a class A nonperson misdemeanor.

Conference Committee Action

The House agreed to all Senate amendments and agreed to:

- ! remove the provisions relating to isolated or occasional motor vehicles sales; and
- ! add the provisions of Sub. for SB 500, except for provisions relating to the salvage vehicle buyer's identification card.