

## HOUSE BILL No. 2720

By Representative Gordon

1-28

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AN ACT relating to drivers' training; defining approved course in driver training; amending K.S.A. 8-235c, 8-237, 8-272, 8-2406 and 40-3104 and K.S.A. 2001 Supp. 40-3118, 72-5015 and 72-5017 and repealing the existing sections.

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

Section 1. K.S.A. 8-235c is hereby amended to read as follows: 8-235c. If the division finds that an applicant for an original driver's license does not then have a valid driver's license, or finds that any of the statements relating to prior revocation, suspension or refusal of licenses required to be made on the application under subsection (b) of K.S.A. 8-240, *and amendments thereto*, are in the affirmative, then the division before issuing such license shall require ~~said~~ the applicant to take an examination as provided in K.S.A. 8-235d. ~~Provided, and amendments thereto, except that any applicant who was a student within the two (2)~~ years immediately prior to the date of making application and who has successfully completed ~~a drivers' training course~~ *an approved course in driver training, as defined in K.S.A. 72-5015, and amendments thereto*, conducted by an accredited school or educational institution, or conducted by a driver training school which has been issued a license certificate pursuant to K.S.A. 8-277, *and amendments thereto*, shall be granted without examination a driver's license indicating the class of vehicles which the applicant is qualified to drive as a result of successfully completing such ~~drivers' training course~~ *approved course in driver training*.

Sec. 2. K.S.A. 8-237 is hereby amended to read as follows: 8-237. The division of vehicles shall not issue any driver's license to any person:

(a) Who is under the age of 16 years, except that the division may issue a restricted class C or M license, as provided in this act, to any person who: (1) Is at least 15 years of age; (2) has successfully completed an approved course in driver training, *as defined in K.S.A. 72-5015, and amendments thereto*; (3) has held an instructional permit issued under the provisions of K.S.A. 8-239, and amendments thereto, for a period of at least six months and has completed at least 25 hours of adult supervised driving; and (4) upon the written application of the person's parent or guardian. The required adult supervised driving required in clause (3)

1 above shall be conducted by an adult who is at least 21 years of age and  
2 is the holder of a valid commercial driver's license, class A, B or C driver's  
3 license. Except as hereafter provided, the application of the parent or  
4 guardian shall be submitted to the division. The governing body of any  
5 city, by ordinance, may require the application of any person who is under  
6 16 years of age and who resides within the city to be first submitted to  
7 the chief law enforcement officer of the city. The board of county com-  
8 missioners of any county, by resolution, may require the application of  
9 any person who is under 16 years of age and who resides within the county  
10 and outside the corporate limits of any city to be first submitted to the  
11 chief law enforcement officer of the county. No ordinance or resolution  
12 authorized by this subsection shall become effective until a copy of it is  
13 transmitted to the division of vehicles. The chief law enforcement officer  
14 of any city or county which has adopted the ordinance or resolution au-  
15 thorized by this subsection shall make a recommendation on the appli-  
16 cation as to the necessity for the issuance of the restricted license, and  
17 the recommendation shall be transmitted, with the application, to the  
18 division of vehicles. If the division finds that it is necessary to issue the  
19 restricted license, it shall issue a driver's license to the person.

20 A restricted class C license issued under this subsection shall entitle  
21 the licensee, while possessing the license, to operate any motor vehicle  
22 in class C, as designated in K.S.A. 8-234b, and amendments thereto. A  
23 restricted class M license shall entitle the licensee, while possessing such  
24 license, to operate a motorcycle. The restricted license shall entitle the  
25 licensee to operate the appropriate vehicle at any time:

26 (1) While going to or from or in connection with any job, employment  
27 or farm-related work;

28 (2) on days while school is in session, over the most direct and ac-  
29 cessible route between the licensee's residence and school of enrollment  
30 for the purposes of school attendance;

31 (3) when the licensee is operating a passenger car, at any time when  
32 accompanied by an adult who is the holder of a valid commercial driver's  
33 license, class A, B or C driver's license and who is actually occupying a  
34 seat beside the driver; or

35 (4) when the licensee is operating a motorcycle, at any time when  
36 accompanied by an adult who is the holder of a valid class M driver's  
37 license and who is operating a motorcycle in the general proximity of the  
38 licensee.

39 Any licensee issued a restricted license under this subsection shall not  
40 operate any motor vehicle with nonsibling minor passengers and any con-  
41 viction for violating this provision shall be construed as a moving traffic  
42 violation for the purpose of K.S.A. 8-255, and amendments thereto.

43 A restricted driver's license issued under this subsection is subject to

1 suspension or revocation in the same manner as any other driver's license.  
2 In addition, the division may suspend the restricted driver's license upon  
3 receiving satisfactory evidence that: (1) The licensee has violated the re-  
4 striction of the license, (2) the licensee has been involved in two or more  
5 accidents chargeable to the licensee or (3) the recommendation of the  
6 chief law enforcement officer of any city or county requiring the rec-  
7 ommendation has been withdrawn. The suspended license shall not be  
8 reinstated for one year or until the licensee reaches the age of 16, which-  
9 ever period is longer.

10 Any licensee issued a restricted license under this subsection who: (1)  
11 Is under the age of 16 years and is convicted of two or more moving  
12 traffic violations committed on separate occasions shall not be eligible to  
13 receive a driver's license which is not restricted in accordance with the  
14 provisions of this subsection until the person reaches 17 years of age; or  
15 (2) fails to provide the required affidavit stating that the licensee has  
16 completed at least 50 hours of adult supervised driving with 10 of those  
17 hours being at night shall not be eligible to receive a driver's license which  
18 is not restricted in accordance with the provisions of this subsection until  
19 the person provides such affidavit to the division or the person reaches  
20 17 years of age, whichever occurs first.

21 Any licensee issued a restricted license under this subsection on and  
22 after July 1, 1999, shall provide prior to reaching 16 years of age, a signed  
23 affidavit of either a parent or guardian, stating that the applicant has  
24 completed the required 25 hours prior to being issued a restricted license  
25 and 25 hours of additional adult supervised driving. Of the 50 hours re-  
26 quired by this subsection, at least 10 of those hours shall be at night. The  
27 adult supervised driving shall be conducted by an adult who is at least 21  
28 years of age and is the holder of a valid commercial driver's license, class  
29 A, B or C driver's license.

30 Evidence of failure of any licensee who was required to complete the  
31 50 hours of adult supervised driving under this subsection shall not be  
32 admissible in any action for the purpose of determining any aspect of  
33 comparative negligence or mitigation of damages.

34 (b) Who is under the age of 18 years, except as provided in K.S.A. 8-  
35 2,147, and amendments thereto, for the purpose of driving a commercial  
36 or class A or B motor vehicle.

37 (c) Whose license is currently revoked, suspended or canceled in this  
38 or any other state, except as provided in K.S.A. 8-256, and amendments  
39 thereto.

40 (d) Who is a habitual drunkard, habitual user of narcotic drugs or  
41 habitual user of any other drug to a degree which renders the user in-  
42 capable of safely driving a motor vehicle.

43 (e) Who has previously been adjudged to be afflicted with or suffering

1 from any mental disability or disease and who, at the time of making  
2 application for a driver's license, has not been restored to capacity in the  
3 manner provided by law. Application of this limitation to any person  
4 known to have suffered any seizure disorder is subject to the provisions  
5 of paragraph (7) of subsection (e) of K.S.A. 8-247, and amendments  
6 thereto.

7 (f) Who is required by the motor vehicle drivers' license act to take  
8 an examination, unless the person has successfully passed the  
9 examination.

10 (g) Who is at least 16 years of age and less than 17 years of age, who  
11 is applying for a driver's license for the first time since reaching 16 years  
12 of age and who, three times or more, has been adjudged to be a traffic  
13 offender under the Kansas juvenile code or a juvenile offender under the  
14 Kansas juvenile justice code, by reason of violation of one or more statutes  
15 regulating the movement of traffic on the roads, streets or highways of  
16 this state, except that, in the discretion of the director, the person may  
17 be issued a driver's license which is restricted in the manner the division  
18 deems to be appropriate. No person described by this subsection shall be  
19 eligible to receive a driver's license which is not restricted until the person  
20 has reached the age of 17 years.

21 (h) Who has not submitted proof of age or proof of identity, as re-  
22 quired by K.S.A. 8-240, and amendments thereto.

23 (i) Whose presence in the United States is in violation of federal im-  
24 migration laws.

25 Sec. 3. K.S.A. 8-272 is hereby amended to read as follows: 8-272. (a)  
26 Any school district conducting an approved course in driver training, *as*  
27 *defined in K.S.A. 72-5015, and amendments thereto*, and any student at-  
28 tending a nonpublic school accredited by the state board of education  
29 conducting an approved course in driver training, *as defined in K.S.A. 72-*  
30 *5015, and amendments thereto*, shall be entitled to participate in the state  
31 safety fund created by K.S.A. 8-267, and amendments thereto. In August  
32 of each year, the superintendent of each school district and the governing  
33 authority of each nonpublic school shall report to the state board of ed-  
34 ucation the number of students who have been in attendance for a com-  
35 plete driver training course conducted by such school district or non-  
36 public school during the past school year. From the state safety fund in  
37 the state treasury, \$1,540,000 shall be distributed in the manner herein-  
38 after provided to the respective school districts and nonpublic schools on  
39 order of the state board of education in the ratio that the number of  
40 students in each school district or nonpublic school in attendance for such  
41 complete courses bears to the total number of students in all such schools  
42 and nonpublic schools in attendance for such complete courses. The state  
43 board of education shall certify to the director of accounts and reports

1 the amount due each school district and each student of a nonpublic  
2 school. The director of accounts and reports shall draw warrants on the  
3 state treasurer payable to the treasurer of each school district and to each  
4 student of a nonpublic school entitled to payment under this subsection  
5 upon vouchers approved by the state board and shall cause such warrants  
6 to be delivered to the respective school districts and nonpublic schools.  
7 If the amount appropriated in any year from the state safety fund shall  
8 be insufficient to pay the full amount each school district and each student  
9 of a nonpublic school is entitled to receive under this subsection, then  
10 the entire amount appropriated for such year shall be prorated among all  
11 school districts and all students of nonpublic schools in proportion to the  
12 amount each school district and each student of a nonpublic school is  
13 entitled to receive. No moneys in the state safety fund shall be used for  
14 any purpose other than that specified in this subsection or for the support  
15 of driver improvement programs. The state board of education shall pre-  
16 scribe all forms necessary for reporting in connection with this act. The  
17 funds shall be distributed on or before November 1 each year.

18 (b) Any school district conducting an approved course in motorcycle  
19 safety as a part of an approved course in driver training, *as defined in*  
20 *K.S.A. 72-5015, and amendments thereto*; any student attending a non-  
21 public school accredited by the state board of education conducting an  
22 approved course in motorcycle safety as a part of an approved course in  
23 driver training, *as defined in K.S.A. 72-5015, and amendments thereto*, or  
24 any community college conducting an approved course in motorcycle  
25 safety shall be entitled to participate in the motorcycle safety fund created  
26 by K.S.A. 8-267, and amendments thereto. The state board of education  
27 may establish, by rules and regulations, standards for the conduct, oper-  
28 ation and approval of courses in motorcycle safety and for the qualifica-  
29 tions of instructors for such courses. Such standards shall not include the  
30 requirement that instructors be certificated by the state board of educa-  
31 tion. In August of each year, the superintendent of each school district,  
32 the governing authority of each nonpublic school or the chief administra-  
33 tive officer of each community college shall report to the state board of  
34 education the number of students who have been in attendance for a  
35 complete course in motorcycle safety as a part of the driver training  
36 course conducted by such school district, nonpublic school or community  
37 college during the past school year. From the motorcycle safety fund in  
38 the state treasury, \$210,000 shall be distributed in the manner hereinafter  
39 provided to the respective school districts, nonpublic schools and com-  
40 munity colleges on order of the state board of education in the ratio that  
41 the number of students in each school district, nonpublic school or com-  
42 munity college in attendance for such complete courses in motorcycle  
43 safety bears to the total number of students in all such schools, nonpublic

1 schools and community colleges in attendance for such complete courses.  
2 The state board of education shall certify to the director of accounts and  
3 reports the amount due each school district, each student of a nonpublic  
4 school and each community college. The director of accounts and reports  
5 shall draw warrants on the state treasurer payable to the treasurer of each  
6 school district, to each student of a nonpublic school and to each treasurer  
7 of each community college entitled to payment under this subsection  
8 upon vouchers approved by the state board and shall cause such warrants  
9 to be delivered to the respective school districts, nonpublic schools and  
10 community colleges. If the amount appropriated in any year from the  
11 motorcycle safety fund shall be insufficient to pay the full amount each  
12 school district, each student of a nonpublic school and each community  
13 college is entitled to receive under this subsection, then the entire amount  
14 appropriated for such year shall be prorated among all school districts,  
15 all students of nonpublic schools and all community colleges in proportion  
16 to the amount each school district, each student of a nonpublic school  
17 and each community college is entitled to receive. No moneys in the  
18 motorcycle safety fund shall be used for any purpose other than that  
19 specified in this subsection or for the support of motorcycle driver im-  
20 provement programs. The state board of education shall prescribe all  
21 forms necessary for reporting in connection with this act. The funds shall  
22 be distributed on or before November 1 each year.

23 (c) For the purpose of this subsection, "vocational education school"  
24 means community college, area vocational-technical school or area vo-  
25 cational school. Any vocational education school conducting an approved  
26 course in truck driving shall be entitled to participate in the truck driver  
27 training fund created by K.S.A. 8-267, and amendments thereto. The state  
28 board of education may establish, by rules and regulations, standards for  
29 the conduct, operation and approval of courses in truck driver training  
30 and for the qualifications of instructors for such courses. Such standards  
31 shall not include the requirement that instructors be certificated by the  
32 state board of education. In August of each year, the chief administrative  
33 officer of each vocational education school shall report to the state board  
34 of education the number of students who have been in attendance for a  
35 complete course in truck driver training conducted by such vocational  
36 education school during the past school year. From the truck driver train-  
37 ing fund in the state treasury, \$70,000 shall be distributed in the manner  
38 hereinafter provided to the respective vocational education school on or-  
39 der of the state board of education in the ratio that the number of students  
40 in each vocational education school in attendance for such complete  
41 courses in truck driver training bears to the total number of students in  
42 all such vocational education schools in attendance for such complete  
43 courses. The state board of education shall certify to the director of ac-

1 counts and reports the amount due each vocational education school. The  
2 director of accounts and reports shall draw warrants on the state treasurer  
3 payable to the treasurer of each vocational education school entitled to  
4 payment under this subsection upon vouchers approved by the state  
5 board and shall cause such warrants to be delivered to the respective  
6 vocational education school. If the amount appropriated in any year from  
7 the truck driver training fund shall be insufficient to pay the full amount  
8 each vocational education school is entitled to receive under this subsec-  
9 tion, then the entire amount appropriated for such year shall be prorated  
10 among all vocational education schools in proportion to the amount each  
11 vocational education school is entitled to receive. No moneys in the truck  
12 driver training fund shall be used for any purpose other than that specified  
13 in this subsection or for the support of truck driver training programs.  
14 The state board of education shall prescribe all forms necessary for re-  
15 porting in connection with this act. The funds shall be distributed on or  
16 before November 1 each year.

17 Sec. 4. K.S.A. 8-2406 is hereby amended to read as follows: 8-2406.  
18 (a) The annual fee for the first dealer license plate is \$275, and the annual  
19 fee for additional dealer license plates shall be an amount equal to the  
20 amount required to register a passenger vehicle having a gross weight of  
21 less than 4,500 pounds, except that the annual fee for dealer license plates  
22 used by trailer dealers on trailers which they have purchased or own and  
23 are holding for resale shall be \$25 for each plate. To determine the num-  
24 ber of dealer license plates the dealer needs, the director may base the  
25 decision on the dealer's past sales, inventory and any other pertinent  
26 factors as the director may determine. After the end of the first year of  
27 licensure as a dealer, not more than one dealer license plate shall be  
28 issued to any dealer who has not reported to the division the sale of at  
29 least five motor vehicles in the preceding year. There shall be no refund  
30 of fees for dealer license plates in the event of suspension, revocation or  
31 voluntary cancellation of a license. The director is hereby authorized to  
32 designate by identifying symbols on a dealer's license plate the type of  
33 dealer's license that the person has been issued. If a dealer has an estab-  
34 lished place of business in more than one county, such dealer shall secure  
35 a separate and distinct dealer's license and dealer license plates for each  
36 established place of business.

37 (b) New motor vehicle dealers and used motor vehicle dealers may  
38 authorize use of dealer license plates assigned to such motor vehicle deal-  
39 ers as follows:

- 40 (1) The licensed motor vehicle dealer and such dealer's spouse;
- 41 (2) the sales manager and all other sales personnel when such man-  
42 ager and sales personnel are properly licensed in Kansas, except that no  
43 dealer license plate shall be assigned to sales personnel who are working

1 at the established place of business of the dealer less than 20 hours per  
2 week;

3 (3) any employee of such motor vehicle dealer when the use thereof  
4 is directly connected to a particular business transaction of such motor  
5 vehicle dealer;

6 (4) the customer when operating a motor vehicle in connection with  
7 negotiations to purchase such motor vehicle or during a demonstration  
8 of such motor vehicle;

9 (5) any school district and any accredited nonpublic school which has  
10 entered into an agreement with a dealer to use a motor vehicle as a driver  
11 training motor vehicle, as defined in K.S.A. 72-5015, and amendments  
12 thereto, in an approved *course in driver training course, as defined in*  
13 *K.S.A. 72-5015, and amendments thereto.*

14 (c) A wholesaler dealer may authorize the use of dealer license plates  
15 on vehicles purchased by the wholesaler for resale to a retail vehicle dealer  
16 as follows:

17 (1) To transport or operate a vehicle to or from a licensed retail or  
18 wholesale vehicle dealer for the purpose of buying, selling, or offering or  
19 attempting to negotiate a sale of the vehicle to a licensed vehicle dealer;

20 (2) to deliver a vehicle purchased from the wholesale vehicle dealer  
21 to a purchasing vehicle dealer.

22 (d) Salvage vehicle dealers may use dealer license plates only on ve-  
23 hicles which they have purchased for salvage, including dismantling, dis-  
24 assembling or recycling.

25 (e) Insurance companies may use dealer license plates only on vehi-  
26 cles purchased or acquired for salvage in the course of business of the  
27 insurance company.

28 (f) Lending agencies may use dealer license plates only on vehicles  
29 which they have repossessed or are holding for disposition due to  
30 repossession.

31 (g) Trailer dealers may use dealer license plates only on trailers which  
32 they have purchased or own and are holding for resale.

33 (h) Brokers are not entitled to be assigned or to use any dealer license  
34 plates.

35 (i) Except as provided above, dealer license plates shall be used only  
36 in accordance with the provisions of K.S.A. 8-136, and amendments  
37 thereto. This subsection (i) does not apply to K.S.A. 8-2425, and amend-  
38 ments thereto, or full-privilege license plates issued thereunder.

39 Sec. 5. K.S.A. 40-3104 is hereby amended to read as follows: 40-  
40 3104. (a) Every owner shall provide motor vehicle liability insurance cov-  
41 erage in accordance with the provisions of this act for every motor vehicle  
42 owned by such person, unless such motor vehicle: (1) Is included under  
43 an approved self-insurance plan as provided in subsection (f); (2) is used



1 as a driver training motor vehicle, as defined in K.S.A. 72-5015, and  
2 amendments thereto, in an approved *course in driver training course, as*  
3 *defined in K.S.A. 72-5015, and amendments thereto*, by a school district  
4 or an accredited nonpublic school under an agreement with a motor ve-  
5 hicle dealer, and such motor vehicle liability insurance coverage is pro-  
6 vided by the school district or accredited nonpublic school; (3) is included  
7 under a qualified plan of self-insurance approved by an agency of the  
8 state in which such motor vehicle is registered and the form prescribed  
9 in subsection (b) of K.S.A. 40-3106, and amendments thereto, has been  
10 filed; or (4) is expressly exempted from the provisions of this act.

11 (b) An owner of an uninsured motor vehicle shall not permit the  
12 operation thereof upon a highway or upon property open to use by the  
13 public, unless such motor vehicle is expressly exempted from the provi-  
14 sions of this act.

15 (c) No person shall knowingly drive an uninsured motor vehicle upon  
16 a highway or upon property open to use by the public, unless such motor  
17 vehicle is expressly exempted from the provisions of this act.

18 (d) Any person operating a motor vehicle upon a highway or upon  
19 property open to use by the public shall display, upon demand, evidence  
20 of financial security to a law enforcement officer. The law enforcement  
21 officer shall issue a citation to any person who fails to display evidence of  
22 financial security upon such demand. The law enforcement officer shall  
23 attach a copy of the insurance verification form prescribed by the secre-  
24 tary of revenue to the copy of the citation forwarded to the court.

25 No citation shall be issued to any person for failure to provide proof of  
26 financial security when evidence of financial security meeting the stan-  
27 dards of subsection (e) is displayed upon demand of a law enforcement  
28 officer. Whenever the authenticity of such evidence is questionable, the  
29 law enforcement officer may initiate the preparation of the insurance  
30 verification form prescribed by the secretary of revenue by recording  
31 information from the evidence of financial security displayed. The officer  
32 shall immediately forward the form to the department of revenue, and  
33 the department shall proceed with verification in the manner prescribed  
34 in the following paragraph. Upon return of a form indicating that insur-  
35 ance was not in force on the date indicated on the form, the department  
36 shall immediately forward a copy of the form to the law enforcement  
37 officer initiating preparation of the form.

38 (e) Unless the insurance company subsequently submits an insurance  
39 verification form indicating that insurance was not in force, no person  
40 charged with violating subsections (b), (c) or (d) shall be convicted if such  
41 person produces in court, within 10 days of the date of arrest or of iss-  
42 uance of the citation, evidence of financial security for the motor vehicle  
43 operated, which was valid at the time of arrest or of issuance of the ci-

1 tation. For the purpose of this subsection, evidence of financial security  
2 shall be provided by a policy of motor vehicle liability insurance, an iden-  
3 tification card or certificate of insurance issued to the policyholder by the  
4 insurer which provides the name of the insurer, the policy number and  
5 the effective and expiration dates of the policy, or a certificate of self-  
6 insurance signed by the commissioner of insurance. Upon the production  
7 in court of evidence of financial security, the court shall record the in-  
8 formation displayed thereon on the insurance verification form prescribed  
9 by the secretary of revenue, immediately forward such form to the de-  
10 partment of revenue, and stay any further proceedings on the matter  
11 pending a request from the prosecuting attorney that the matter be set  
12 for trial. Upon receipt of such form the department shall mail the form  
13 to the named insurance company for verification that insurance was in  
14 force on the date indicated on the form. It shall be the duty of insurance  
15 companies to notify the department within 30 calendar days of the receipt  
16 of such forms of any insurance that was not in force on the date specified.  
17 Upon return of any form to the department indicating that insurance was  
18 not in force on such date, the department shall immediately forward a  
19 copy of such form to the office of the prosecuting attorney or the city  
20 clerk of the municipality in which such prosecution is pending when the  
21 prosecuting attorney is not ascertainable. Receipt of any completed form  
22 indicating that insurance was not in effect on the date specified shall be  
23 prima facie evidence of failure to provide proof of financial security and  
24 violation of this section. A request that the matter be set for trial shall be  
25 made immediately following the receipt by the prosecuting attorney of a  
26 copy of the form from the department of revenue indicating that insur-  
27 ance was not in force. Any charge of violating subsection (b), (c) or (d)  
28 shall be dismissed if no request for a trial setting has been made within  
29 60 days of the date evidence of financial security was produced in court.

30 (f) Any person in whose name more than 25 motor vehicles are reg-  
31 istered in Kansas may qualify as a self-insurer by obtaining a certificate  
32 of self-insurance from the commissioner of insurance. The certificate of  
33 self-insurance issued by the commissioner shall cover such owned vehi-  
34 cles and those vehicles, registered in Kansas, leased to such person if the  
35 lease agreement requires that motor vehicle liability insurance on the  
36 vehicles be provided by the lessee. Upon application of any such person,  
37 the commissioner of insurance may issue a certificate of self-insurance,  
38 if the commissioner is satisfied that such person is possessed and will  
39 continue to be possessed of ability to pay any liability imposed by law  
40 against such person arising out of the ownership, operation, maintenance  
41 or use of any motor vehicle described in this subsection. A self-insurer  
42 shall provide liability coverage subject to the provisions of subsection (e)  
43 of K.S.A. 40-3107, and amendments thereto, arising out of the ownership,

1 operation, maintenance or use of a self-insured motor vehicle in those  
2 instances where the lessee or the rental driver, if not the lessee, does not  
3 have a motor vehicle liability insurance policy or insurance coverage pur-  
4 suant to a motor vehicle liability insurance policy or certificate of insur-  
5 ance or such insurance policy for such leased or rented vehicle. Such  
6 liability coverage shall be provided to any person operating a self-insured  
7 motor vehicle with the expressed or implied consent of the self-insurer.

8 Upon notice and a hearing in accordance with the provisions of the  
9 Kansas administrative procedure act, the commissioner of insurance may  
10 cancel a certificate of self-insurance upon reasonable grounds. Failure to  
11 provide liability coverage or personal injury protection benefits required  
12 by K.S.A. 40-3107 and 40-3109, and amendments thereto, or pay any  
13 liability imposed by law arising out of the ownership, operation, mainte-  
14 nance or use of a motor vehicle registered in such self-insurer's name, or  
15 to otherwise comply with the requirements of this subsection shall con-  
16 stitute reasonable grounds for the cancellation of a certificate of self-  
17 insurance. Reasonable grounds shall not exist unless such objectionable  
18 activity occurs with such frequency as to indicate a general business  
19 practice.

20 Self-insureds shall investigate claims in a reasonably prompt manner,  
21 handle such claims in a reasonable manner based on available information  
22 and effectuate prompt, fair and equitable settlement of claims in which  
23 liability has become reasonably clear.

24 As used in this subsection, "liability imposed by law" means the stated  
25 limits of liability as provided under subsection (e) of K.S.A. 40-3107, and  
26 amendments thereto.

27 Nothing in this subsection shall preclude a self-insurer from pursuing  
28 all rights of subrogation against another person or persons.

29 (g) (1) Any person violating any provision of this section shall be  
30 guilty of a class B misdemeanor and shall be subject to a fine of not less  
31 than \$300 nor more than \$1,000 or confinement in the county jail for a  
32 term of not more than six months, or both such fine and confinement.

33 (2) Any person convicted of violating any provision of this section  
34 within three years of any such prior conviction shall be guilty of a class A  
35 misdemeanor and shall be subject to a fine of not less than \$800 nor more  
36 than \$2,500.

37 (h) In addition to any other penalties provided by this act for failure  
38 to have or maintain financial security in effect, the director, upon receipt  
39 of a report required by K.S.A. 8-1607 or 8-1611, and amendments  
40 thereto, or a denial of such insurance by the insurance company listed on  
41 the form prescribed by the secretary of revenue pursuant to subsection  
42 (d) of this section, shall, upon notice and hearing as provided by K.S.A.  
43 40-3118, and amendments thereto:

1 (1) Suspend:

2 (A) The license of each driver in any manner involved in the accident;

3 (B) the license of the owner of each motor vehicle involved in such  
4 accident, unless the vehicle was stolen at the time of the accident, proof  
5 of which must be established by the owner of the motor vehicle. Theft  
6 by a member of the vehicle owner's immediate family under the age of  
7 18 years shall not constitute a stolen vehicle for the purposes of this  
8 section;

9 (C) if the driver is a nonresident, the privilege of operating a motor  
10 vehicle within this state; or

11 (D) if such owner is a nonresident, the privilege of such owner to  
12 operate or permit the operation within this state of any motor vehicle  
13 owned by such owner; and

14 (2) revoke the registration of all vehicles owned by the owner of each  
15 motor vehicle involved in such accident.

16 (i) The suspension or revocation requirements in subsection (h) shall  
17 not apply:

18 (1) To the driver or owner if the owner had in effect at the time of  
19 the accident an automobile liability policy as required by K.S.A. 40-3107,  
20 and amendments thereto, with respect to the vehicle involved in the  
21 accident;

22 (2) to the driver, if not the owner of the vehicle involved in the ac-  
23 cident, if there was in effect at the time of the accident an automobile  
24 liability policy with respect to such driver's driving of vehicles not owned  
25 by such driver;

26 (3) to any self-insurer as defined by subsection (u) of K.S.A. 40-3103,  
27 and amendments thereto;

28 (4) to the driver or owner of any vehicle involved in the accident  
29 which was exempt from the provisions of this act pursuant to K.S.A. 40-  
30 3105, and amendments thereto;

31 (5) to the owner of a vehicle described in subsection (a)(2).

32 (j) For the purposes of provisions (1) and (2) of subsection (i) of this  
33 section, the director may require verification by an owner's or driver's  
34 insurance company or agent thereof that there was in effect at the time  
35 of the accident an automobile liability policy as required in this act.

36 Any suspension or revocation effected hereunder shall remain in effect  
37 until satisfactory proof of financial security has been filed with the director  
38 as required by subsection (d) of K.S.A. 40-3118, and amendments thereto,  
39 and such person has been released from liability or is a party to an action  
40 to determine liability pursuant to which the court temporarily stays such  
41 suspension pending final disposition of such action, has entered into an  
42 agreement for the payment of damages, or has been finally adjudicated  
43 not to be liable in respect to such accident and evidence of any such fact

1 has been filed with the director and has paid the reinstatement fee herein  
2 prescribed. Such reinstatement fee shall be \$100 except that if the reg-  
3 istration of a motor vehicle of any owner is revoked within one year fol-  
4 lowing a prior revocation of the registration of a motor vehicle of such  
5 owner under the provisions of this act such fee shall be \$300.

6 (k) The provisions of this section shall not apply to motor carriers of  
7 property or passengers regulated by the corporation commission of the  
8 state of Kansas.

9 (l) The provisions of subsection (d) shall not apply to vehicle dealers,  
10 as defined in K.S.A. 8-2401, and amendments thereto, for vehicles being  
11 offered for sale by such dealers.

12 Sec. 6. K.S.A. 2001 Supp. 40-3118 is hereby amended to read as  
13 follows: 40-3118. (a) No motor vehicle shall be registered or reregistered  
14 in this state unless the owner, at the time of registration, has in effect a  
15 policy of motor vehicle liability insurance covering such motor vehicle, as  
16 provided in this act, or is a self-insurer thereof, or the motor vehicle is  
17 used as a driver training motor vehicle, as defined in K.S.A. 72-5015, and  
18 amendments thereto, in an approved *course in driver training course, as*  
19 *defined in K.S.A. 72-5015, and amendments thereto*, by a school district  
20 or an accredited nonpublic school under an agreement with a motor ve-  
21 hicle dealer, and such policy of motor vehicle liability insurance is pro-  
22 vided by the school district or accredited nonpublic school. As used in  
23 this section, the term “financial security” means such policy or self-in-  
24 surance. The director shall require that the owner certify and provide  
25 verification of financial security, in the manner prescribed by K.S.A. 8-  
26 173, and amendments thereto, that the owner has such financial security,  
27 and the owner of each motor vehicle registered in this state shall maintain  
28 financial security continuously throughout the period of registration. In  
29 addition, when an owner certifies that such financial security is a motor  
30 vehicle liability insurance policy meeting the requirements of this act, the  
31 director may require that the owner or owner’s insurance company pro-  
32 duce records to prove the fact that such insurance was in effect at the  
33 time the vehicle was registered and has been maintained continuously  
34 from that date. Failure to produce such records shall be prima facie ev-  
35 idence that no financial security exists with regard to the vehicle con-  
36 cerned. It shall be the duty of insurance companies, upon the request of  
37 the director, to notify the director within 30 calendar days of the date of  
38 the receipt of such request by the director of any insurance that was not  
39 in effect on the date of registration and maintained continuously from  
40 that date.

41 (b) Except as otherwise provided in K.S.A. 40-276, 40-276a and 40-  
42 277, and amendments thereto, and except for termination of insurance  
43 resulting from nonpayment of premium or upon the request for cancel-

1 lation by the insured, no motor vehicle liability insurance policy, or any  
2 renewal thereof, shall be terminated by cancellation or failure to renew  
3 by the insurer until at least 30 days after mailing a notice of termination,  
4 by certified or registered mail or United States post office certificate of  
5 mailing, to the named insured at the latest address filed with the insurer  
6 by or on behalf of the insured. Time of the effective date and hour of  
7 termination stated in the notice shall become the end of the policy period.  
8 Every such notice of termination sent to the insured for any cause what-  
9 soever shall include on the face of the notice a statement that financial  
10 security for every motor vehicle covered by the policy is required to be  
11 maintained continuously throughout the registration period, that the op-  
12 eration of any such motor vehicle without maintaining continuous finan-  
13 cial security therefor is a class B misdemeanor and shall be subject to a  
14 fine of not less than \$300 and not more than \$1,000 and that the regis-  
15 tration for any such motor vehicle for which continuous financial security  
16 is not provided is subject to suspension and the driver's license of the  
17 owner thereof is subject to suspension.

18 (c) The director of vehicles shall verify a sufficient number of insur-  
19 ance certifications each calendar year as the director deems necessary to  
20 insure compliance with the provisions of this act. The owner or owner's  
21 insurance company shall verify the accuracy of any owner's certification  
22 upon request, as provided in subsection (a).

23 (d) In addition to any other requirements of this act, the director shall  
24 require a person to acquire insurance and for such person's insurance  
25 company to maintain on file with the division evidence of such insurance  
26 for a period of one year when a person has been convicted in this or  
27 another state of any of the violations enumerated in K.S.A. 8-285, and  
28 amendments thereto.

29 The director shall also require any driver whose driving privileges have  
30 been suspended pursuant to this section to maintain such evidence of  
31 insurance as required above.

32 The company of the insured shall immediately mail notice to the di-  
33 rector whenever any policy required by this subsection to be on file with  
34 the division is terminated by the insured or the insurer for any reason.  
35 The receipt by the director of such termination shall be prima facie evi-  
36 dence that no financial security exists with regard to the person  
37 concerned.

38 No cancellation notice shall be sent to the director if the insured adds  
39 or deletes a vehicle, adds or deletes a driver, renews a policy or is issued  
40 a new policy by the same company. No cancellation notice shall be sent  
41 to the director prior to the date the policy is terminated if the company  
42 allows a grace period for payment until such grace period has expired and  
43 the policy is actually terminated.

1 For the purposes of this act, the term “conviction” includes pleading  
2 guilty or *nolo contendere*, being convicted or being found guilty of any  
3 violation enumerated in this subsection without regard to whether sen-  
4 tence was suspended or probation granted. A forfeiture of bail, bond or  
5 collateral deposited to secure a defendant’s appearance in court, which  
6 forfeiture has not been vacated, shall be equivalent to a conviction.

7 The requirements of this subsection shall apply whether or not such  
8 person owns a motor vehicle.

9 (e) Whenever the director shall receive prima facie evidence, as pre-  
10 scribed by this section, that continuous financial security covering any  
11 motor vehicle registered in this state is not in effect, the director shall  
12 notify the owner by registered or certified mail or United States post  
13 office certificate of mailing that, at the end of 30 days after the notice is  
14 mailed, the registration for such motor vehicle and the driving privileges  
15 of the owner of the vehicle shall be suspended or revoked, pursuant to  
16 such rules and regulations as the secretary of revenue shall adopt, unless  
17 within 10 days after the notice is mailed: (1) Such owner shall demonstrate  
18 proof of continuous financial security covering such vehicle to the satis-  
19 faction of the director; or (2) such owner shall mail a written request  
20 which is postmarked within 10 days after the notice is mailed requesting  
21 a hearing with the director. Upon receipt of a timely request for a hearing,  
22 the director shall afford such person an opportunity for hearing within  
23 the time and in the manner provided in K.S.A. 8-255, and amendments  
24 thereto. If, within the ten-day period or at the hearing, such owner is  
25 unable to demonstrate proof of continuous financial security covering the  
26 motor vehicle in question, the director shall revoke the registration of  
27 such motor vehicle and suspend the driving privileges of the owner of  
28 the vehicle.

29 (f) Whenever the registration of a motor vehicle or the driving priv-  
30 ileges of the owner of the vehicle are suspended or revoked for failure of  
31 the owner to maintain continuous financial security, such suspension or  
32 revocation shall remain in effect until satisfactory proof of insurance has  
33 been filed with the director as required by subsection (d) and a reinstatement  
34 fee in the amount herein prescribed is paid to the division of ve-  
35 hicles. Such reinstatement fee shall be in the amount of \$100 except that  
36 if the registration of a motor vehicle of any owner is revoked within one  
37 year following a prior revocation of the registration of a motor vehicle of  
38 such owner under the provisions of this act such fee shall be in the amount  
39 of \$300. The division of vehicles shall remit such fees to the state treasurer  
40 in accordance with the provisions of K.S.A. 75-4215, and amendments  
41 thereto. Upon receipt of each such remittance, the state treasurer shall  
42 deposit the entire amount in the state treasury to the credit of the state  
43 highway fund.

1 (g) In no case shall any motor vehicle, the registration of which has  
2 been revoked for failure to have continuous financial security, be rere-  
3 gistered in the name of the owner thereof, the owner's spouse, parent or  
4 child or any member of the same household, until the owner complies  
5 with subsection (f). In the event the registration plate has expired, no new  
6 plate shall be issued until the motor vehicle owner complies with the  
7 reinstatement requirements as required by this act.

8 (h) Evidence that an owner of a motor vehicle, registered or required  
9 to be registered in this state, has operated or permitted such motor ve-  
10 hicle to be operated in this state without having in force and effect the  
11 financial security required by this act for such vehicle, together with proof  
12 of records of the division of vehicles indicating that the owner did not  
13 have such financial security, shall be prima facie evidence that the owner  
14 did at the time and place alleged, operate or permit such motor vehicle  
15 to be operated without having in full force and effect financial security  
16 required by the provisions of this act.

17 (i) Any owner of a motor vehicle registered or required to be regis-  
18 tered in this state who shall make a false certification concerning financial  
19 security for the operation of such motor vehicle as required by this act,  
20 shall be guilty of a class A misdemeanor. Any person, firm or corporation  
21 giving false information to the director concerning another's financial se-  
22 curity for the operation of a motor vehicle registered or required to be  
23 registered in this state, knowing or having reason to believe that such  
24 information is false, shall be guilty of a class A misdemeanor.

25 (j) The director shall administer and enforce the provisions of this act  
26 relating to the registration of motor vehicles, and the secretary of revenue  
27 shall adopt such rules and regulations as may be necessary for its  
28 administration.

29 (k) Whenever any person has made application for insurance cover-  
30 age and such applicant has submitted payment or partial payment with  
31 such application, the insurance company, if payment accompanied the  
32 application and if insurance coverage is denied, shall refund the unearned  
33 portion of the payment to the applicant or agent with the notice of denial  
34 of coverage. If payment did not accompany the application to the insur-  
35 ance company but was made to the agent, the agent shall refund the  
36 unearned portion of the payment to the applicant upon receipt of the  
37 company's notice of denial.

38 (l) For the purpose of this act, "declination of insurance coverage"  
39 means a final denial, in whole or in part, by an insurance company or  
40 agent of requested insurance coverage.

41 Sec. 7. K.S.A. 2001 Supp. 72-5015 is hereby amended to read as  
42 follows: 72-5015. As used in this act: (a) "Driver training motor vehicle"  
43 means an automobile or motorcycle acquired by a board pursuant to an



1 agreement with a motor vehicle manufacturer or dealer for use in *an*  
2 *approved course in driver training courses*; but does not include within  
3 its meaning any motor vehicle which is rented, leased, or owned by any  
4 school district, nonpublic school or community college.

5 (b) “Board” means the board of education of a school district, the  
6 governing authority of any nonpublic school offering any of grades kin-  
7 dergarten through 12 or the board of trustees of any community college.

8 (c) “Multi-vehicle driving range” means an off-street area in which  
9 several motor vehicles are used simultaneously to provide (1) laboratory  
10 instruction under the supervision of one or more instructors, or (2) the  
11 simultaneous education of several student drivers under the supervision  
12 of one instructor.

13 (d) “Division” means the division of vehicles of the department of  
14 revenue.

15 (e) “State board” means in the case of school districts and nonpublic  
16 schools, the state board of education and in the case of community col-  
17 leges, the state board of regents.

18 (f) “*Approved course in driver training*” means:

19 (1) *A course designed to teach students the components of basic au-*  
20 *tomobile operation, including rules of the road and safety. An approved*  
21 *course in driver training shall consist of not less than 30 hours of class-*  
22 *room instruction and not less than six hours of behind-the-wheel instruc-*  
23 *tion. Classroom instruction shall not be taught interactively through the*  
24 *use of communications technology, including the internet, so that persons*  
25 *taking the course need not be physically present in a classroom; or*

26 (2) *a course designed to teach students the components of motorcycle*  
27 *operation, including rules of the road and safety.*

28 (g) “Hour” means a class period of no fewer than 50 minutes.

29 Sec. 8. K.S.A. 2001 Supp. 72-5017 is hereby amended to read as  
30 follows: 72-5017. (a) The state board may adopt rules and regulations for  
31 the administration of this act.

32 (b) The state board shall prepare, on or before July 1 of each year, a  
33 list of schools conducting an approved course in driver training. Such list  
34 shall be prepared from the reports required under K.S.A. 8-272, and  
35 amendments thereto, and shall be sent to the division and other govern-  
36 mental agencies having need thereof.

37 (c) Any board desiring to conduct *an approved course in driver train-*  
38 *ing courses* must first have such *courses course* approved by the state  
39 board and shall then be eligible to enter into agreements for driver train-  
40 ing motor vehicles.

41 Sec. 9. K.S.A. 8-235c, 8-237, 8-272, 8-2406 and 40-3104 and K.S.A.  
42 2001 Supp. 40-3118, 72-5015 and 72-5017 are hereby repealed.

1       Sec. 10. This act shall take effect and be in force from and after its  
2 publication in the statute book.  
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