

## SENATE BILL No. 485

By Senator Haley

2-9

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9 AN ACT concerning motor vehicles; relating to export certificate of titles;  
10 amending K.S.A. 2003 Supp. 8-135 and repealing the existing section.

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

13 Section 1. K.S.A. 2003 Supp. 8-135 is hereby amended to read as  
14 follows: 8-135. (a) Upon the transfer of ownership of any vehicle regis-  
15 tered under this act, the registration of the vehicle and the right to use  
16 any license plate thereon shall expire and thereafter there shall be no  
17 transfer of any registration, and the license plate shall be removed by the  
18 owner thereof. Except as provided in K.S.A. 8-172, and amendments  
19 thereto, and 8-1,147, and amendments thereto, it shall be unlawful for  
20 any person, other than the person to whom the license plate was originally  
21 issued, to have possession thereof. When the ownership of a registered  
22 vehicle is transferred, the original owner of the license plate may register  
23 another vehicle under the same number, upon application and payment  
24 of a fee of \$1.50, if such other vehicle does not require a higher license  
25 fee. If a higher license fee is required, then the transfer may be made  
26 upon the payment of the transfer fee of \$1.50 and the difference between  
27 the fee originally paid and that due for the new vehicle.

28 (b) Subject to the provisions of subsection (a) of K.S.A. 8-198, and  
29 amendments thereto, upon the transfer or sale of any vehicle by any  
30 person or dealer, or upon any transfer in accordance with K.S.A. 2003  
31 Supp. 59-3511, and amendments thereto, the new owner thereof, within  
32 30 days, inclusive of weekends and holidays, from date of such transfer  
33 shall make application to the division for registration or reregistration of  
34 the vehicle, but no person shall operate the vehicle on any highway in  
35 this state during the thirty-day period without having applied for and  
36 obtained temporary registration from the county treasurer or from a  
37 dealer. After the expiration of the thirty-day period, it shall be unlawful  
38 for the owner or any other person to operate such vehicle upon the high-  
39 ways of this state unless the vehicle has been registered as provided in  
40 this act. For failure to make application for registration as provided in  
41 this section, a penalty of \$2 shall be added to other fees. When a person  
42 has a current motorcycle or passenger vehicle registration and license  
43 plate, including any registration decal affixed thereto, for a vehicle and

1 has sold or otherwise disposed of the vehicle and has acquired another  
2 motorcycle or passenger vehicle and intends to transfer the registration  
3 and the license plate to the motorcycle or passenger vehicle acquired, but  
4 has not yet had the registration transferred in the office of the county  
5 treasurer, such person may operate the motorcycle or passenger vehicle  
6 acquired for a period of not to exceed 30 days by displaying the license  
7 plate on the rear of the vehicle acquired. If the acquired vehicle is a new  
8 vehicle such person also must carry the assigned certificate of title or  
9 manufacturer's statement of origin when operating the acquired vehicle,  
10 except that a dealer may operate such vehicle by displaying such dealer's  
11 dealer license plate.

12 (c) Certificate of title: No vehicle required to be registered shall be  
13 registered or any license plate or registration decal issued therefor, unless  
14 the applicant for registration shall present satisfactory evidence of own-  
15 ership and apply for an original certificate of title for such vehicle. The  
16 following paragraphs of this subsection shall apply to the issuance of a  
17 certificate of title for a nonhighway vehicle, salvage vehicle or rebuilt  
18 salvage vehicle, as defined in K.S.A. 8-197, and amendments thereto,  
19 except to the extent such paragraphs are made inapplicable by or are  
20 inconsistent with K.S.A. 8-198, and amendments thereto, and to any elec-  
21 tronic certificate of title, except to the extent such paragraphs are made  
22 inapplicable by or are inconsistent with K.S.A. 2003 Supp. 8-135d, and  
23 amendments thereto, or with rules and regulations adopted pursuant to  
24 K.S.A. 2003 Supp. 8-135d, and amendments thereto.

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

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

1 appropriate certificate of title. The certificate of title shall be in a form  
2 approved by the division, and shall contain a statement of any liens or  
3 encumbrances which the application shows, and such other information  
4 as the division determines.

5 (2) The certificate of title shall contain upon the reverse side a form  
6 for assignment of title to be executed by the owner. This assignment shall  
7 contain a statement of all liens or encumbrances on the vehicle at the  
8 time of assignment. The certificate of title shall also contain on the reverse  
9 side blank spaces so that an abstract of mileage as to each owner will be  
10 available. The seller at the time of each sale shall insert the mileage on  
11 the form filed for application or reassignment of title, and the division  
12 shall insert such mileage on the certificate of title when issued to pur-  
13 chaser or assignee. The signature of the purchaser or assignee is required  
14 on the form filed for application or reassignment of title, acknowledging  
15 the odometer certification made by the seller, except that vehicles which  
16 are 10 model years or older and trucks with a gross vehicle weight of  
17 more than 16,000 pounds shall be exempt from the mileage acknowledg-  
18 ment requirement of the purchaser or assignee. Such title shall indicate  
19 whether the vehicle for which it is issued has been titled previously as a  
20 nonhighway vehicle or salvage vehicle. In addition, the reverse side shall  
21 contain two forms for reassignment by a dealer, stating the liens or en-  
22 cumbrances thereon. The first form of reassignment shall be used only  
23 when a dealer sells the vehicle to another dealer. The second form of  
24 reassignment shall be used by a dealer when selling the vehicle to another  
25 dealer or the ultimate owner of the vehicle. The reassignment by a dealer  
26 shall be used only where the dealer resells the vehicle, and during the  
27 time that the vehicle remains in the dealer's possession for resale, the  
28 certificate of title shall be dormant. When the ownership of any vehicle  
29 passes by operation of law, or repossession upon default of a lease, se-  
30 curity agreement, or executory sales contract, the person owning such  
31 vehicle, upon furnishing satisfactory proof to the county treasurer of such  
32 ownership, may procure a certificate of title to the vehicle. When a vehicle  
33 is registered in another state and is repossessed in another state, the  
34 owner of such vehicle shall not be entitled to obtain a valid Kansas title  
35 or registration, except that when a vehicle is registered in another state,  
36 but is financed originally by a financial institution chartered in the state  
37 of Kansas or when a financial institution chartered in Kansas purchases a  
38 pool of motor vehicle loans from the resolution trust corporation or a  
39 federal regulatory agency, and the vehicle is repossessed in another state,  
40 such Kansas financial institution shall be entitled to obtain a valid Kansas  
41 title or registration. In addition to any other fee required for the issuance  
42 of a certificate of title, any applicant obtaining a certificate of title for a  
43 repossessed vehicle shall pay a fee of \$3.

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

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

21 (5) Upon sale and delivery to the purchaser of every vehicle subject  
22 to a purchase money security interest as provided in article 9 of chapter  
23 84 of the Kansas Statutes Annotated, and amendments thereto, the dealer  
24 or secured party may complete a notice of security interest and when so  
25 completed, the purchaser shall execute the notice, in a form prescribed  
26 by the division, describing the vehicle and showing the name and address  
27 of the secured party and of the debtor and other information the division  
28 requires. The dealer or secured party, within 20 days of the sale and  
29 delivery, may mail or deliver the notice of security interest, together with  
30 a fee of \$2.50, to the division. The notice of security interest shall be  
31 retained by the division until it receives an application for a certificate of  
32 title to the vehicle and a certificate of title is issued. The certificate of  
33 title shall indicate any security interest in the vehicle. Upon issuance of  
34 the certificate of title, the division shall mail or deliver confirmation of  
35 the receipt of the notice of security interest, the date the certificate of  
36 title is issued and the security interest indicated, to the secured party at  
37 the address shown on the notice of security interest. The proper comple-  
38 tion and timely mailing or delivery of a notice of security interest by a  
39 dealer or secured party shall perfect a security interest in the vehicle  
40 described on the date of such mailing or delivery. The county treasurers  
41 shall mail a copy of the title application to the Kansas lienholder. Each  
42 county treasurer shall charge the Kansas lienholder a \$1.50 service fee  
43 for processing and mailing a copy of the title application to the Kansas

1 lienholder.

2 (6) It shall be unlawful for any person to operate in this state a vehicle  
3 required to be registered under this act, or to transfer the title to any  
4 such vehicle to any person or dealer, unless a certificate of title has been  
5 issued as herein provided. In the event of a sale or transfer of ownership  
6 of a vehicle for which a certificate of title has been issued, which certifi-  
7 cate of title is in the possession of the transferor at the time of delivery  
8 of the vehicle, the holder of such certificate of title shall endorse on the  
9 same an assignment thereof, with warranty of title in a form prescribed  
10 by the division and printed thereon and the transferor shall deliver the  
11 same to the buyer at the time of delivery to the buyer of the vehicle or  
12 at a time agreed upon by the parties, not to exceed 30 days, inclusive of  
13 weekends and holidays, after the time of delivery. The agreement of the  
14 parties shall be executed on a form provided by the division. The require-  
15 ments of this paragraph concerning delivery of an assigned title are sat-  
16 isfied if the transferor mails to the transferee by restricted mail the as-  
17 signed certificate of title within the 30 days, and if the transferor is a  
18 dealer, as defined by K.S.A. 8-2401, and amendments thereto, such trans-  
19 feror shall be deemed to have possession of the certificate of title if the  
20 transferor has made application therefor to the division. The buyer shall  
21 then present such assigned certificate of title to the division at the time  
22 of making application for registration of such vehicle. A new certificate  
23 of title shall be issued to the buyer, upon payment of the fee of \$10. If  
24 such vehicle is sold to a resident of another state or country, the dealer  
25 or person making the sale shall notify the division of the sale and the  
26 division shall make notation thereof in the records of the division. When  
27 a person acquires a security agreement on a vehicle subsequent to the  
28 issuance of the original title on such vehicle, such person shall require  
29 the holder of the certificate of title to surrender the same and sign an  
30 application for a mortgage title in form prescribed by the division. Upon  
31 such surrender such person shall immediately deliver the certificate of  
32 title, application, and a fee of \$10 to the division. Upon receipt thereof,  
33 the division shall issue a new certificate of title showing the liens or en-  
34 cumbrances so created, but not more than two liens or encumbrances  
35 may be shown upon a title. When a prior lienholder's name is removed  
36 from the title, there must be satisfactory evidence presented to the di-  
37 vision that the lien or encumbrance has been paid. When the indebted-  
38 ness to a lienholder, whose name is shown upon a title, is paid in full,  
39 such lienholder within 10 days after written demand by restricted mail,  
40 shall furnish to the holder of the title a release of lien or execute such a  
41 release in the space provided on the title. For failure to comply with such  
42 a demand the lienholder shall be liable to the holder of the title for \$100  
43 and also shall be liable for any loss caused to the holder by such failure.

1 When the indebtedness to a lienholder, whose name is shown upon a  
2 title, is collected in full, such lienholder, within 30 days, shall furnish  
3 notice to the holder of title that such indebtedness has been paid in full  
4 and that such title may be presented to the lienholder at any time for  
5 release of lien.

6 (7) It shall be unlawful for any person to buy or sell in this state any  
7 vehicle required to be registered, unless, at the time of delivery thereof  
8 or at a time agreed upon by the parties, not to exceed 30 days, inclusive  
9 of weekends and holidays, after the time of delivery, there shall pass  
10 between the parties a certificate of title with an assignment thereof. The  
11 sale of a vehicle required to be registered under the laws of this state,  
12 without assignment of the certificate of title, is fraudulent and void, unless  
13 the parties shall agree that the certificate of title with assignment thereof  
14 shall pass between them at a time other than the time of delivery, but  
15 within 30 days thereof. The requirements of this paragraph concerning  
16 delivery of an assigned title shall be satisfied if (i) the seller mails to the  
17 purchaser by restricted mail the assigned certificate of title within 30 days,  
18 or (ii) if the transferor is a dealer, as defined by K.S.A. 8-2401, and amend-  
19 ments thereto, such seller shall be deemed to have possession of the  
20 certificate of title if such seller has made application therefor to the di-  
21 vision, or (iii) if the transferor is a dealer and has assigned a title pursuant  
22 to paragraph (9) of this subsection (c).

23 (8) In cases of sales under the order of a court of a vehicle required  
24 to be registered under this act, the officer conducting such sale shall issue  
25 to the purchaser a certificate naming the purchaser and reciting the facts  
26 of the sale, which certificate shall be prima facie evidence of the own-  
27 ership of such purchaser for the purpose of obtaining a certificate of title  
28 to such motor vehicle and for registering the same. Any such purchaser  
29 shall be allowed 30 days, inclusive of weekends and holidays, from the  
30 date of sale to make application to the division for a certificate of title  
31 and for the registering of such motor vehicle.

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

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

40 (11) Notwithstanding the provisions of this act with respect to time  
41 requirements for delivery of a certificate of title, or manufacturer's state-  
42 ment of origin, as applicable, any person who chooses to reaffirm the sale  
43 in writing on a form approved by the division which advises them of their

1 rights pursuant to paragraph (7) of subsection (c) and who has received  
2 and accepted assignment of the certificate of title or manufacturer's state-  
3 ment of origin for the vehicle in issue may not thereafter void or set aside  
4 the transaction with respect to the vehicle for the reason that a certificate  
5 of title or manufacturer's statement of origin was not timely delivered,  
6 and in such instances the sale of a vehicle shall not be deemed to be  
7 fraudulent and void for that reason alone.

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

19 (13) Application for a certificate of title on a boat trailer with a gross  
20 weight over 2,000 pounds shall be made by the owner or the owner's  
21 agent upon a form to be furnished by the division and shall contain such  
22 information as the division shall determine necessary. The division may  
23 waive any information requested on the form if it is not available. The  
24 application together with a bill of sale for the boat trailer shall be accepted  
25 as prima facie evidence that the applicant is the owner of the boat trailer,  
26 provided that a Kansas title for such trailer has not previously been issued.  
27 If the application and bill of sale are used to obtain a certificate of title  
28 for a boat trailer under this paragraph, the certificate of title shall not be  
29 issued until an inspection in accordance with subsection (a) of K.S.A. 8-  
30 116a, and amendments thereto, has been completed.

31 (14) In addition to the two forms for reassignment under paragraph  
32 (2) of subsection (c), a dealer may attach one additional reassignment  
33 form to a certificate of title. The director of vehicles shall prescribe and  
34 furnish such reassignment forms. The reassignment form shall be used  
35 by a dealer when selling the vehicle to another dealer or the ultimate  
36 owner of the vehicle only when the two reassignment forms under par-  
37 agraph (2) of subsection (c) have already been used. The fee for a reas-  
38 signment form shall be \$6.50. A dealer may purchase reassignment forms  
39 in multiples of five upon making proper application and the payment of  
40 required fees.

41 (15) *A first stage manufacturer, as defined in K.S.A. 8-2401, and*  
42 *amendments thereto, who manufactures a motor vehicle in this state, and*  
43 *who sells such motor vehicles to dealers located in a foreign country, may*

1 *execute a manufacturers statement of origin to the division of vehicles for*  
2 *the purpose of obtaining an export certificate of title. The motor vehicle*  
3 *issued an export certificate of title shall not be required to be registered*  
4 *in this state. An export certificate of title shall not be used to register such*  
5 *vehicle in the United States.*

6     Sec. 2. K.S.A. 2003 Supp. 8-135 is hereby repealed.

7     Sec. 3. This act shall take effect and be in force from and after its  
8 publication in the statute book.