

As Amended by House Committee

Session of 2004

Substitute for SENATE BILL No. 500

By Committee on Transportation

2-25

10 AN ACT relating to motor vehicles; concerning salvage vehicles; amend-
11 ing K.S.A. 8-197 and **K.S.A. 2003 Supp. 8-198** and repealing the
12 existing section sections.
13

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

15 Section 1. K.S.A. 8-197 is hereby amended to read as follows: 8-197.

16 (a) The provisions of K.S.A. 8-197 to 8-199, inclusive, and amendments
17 thereto, shall be a part of and supplemental to the provisions of article 1
18 of chapter 8 of the Kansas Statutes Annotated, and as used in such sec-
19 tions, the words and phrases defined by K.S.A. 8-126, and amendments
20 thereto, shall have the meanings respectively ascribed to them therein.

21 (b) As used in K.S.A. 8-197 through 8-199, and amendments thereto:

22 (1) "Nonhighway vehicle" means:

23 (A) Any motor vehicle which cannot be registered because it is not
24 manufactured for the purpose of using the same on the highways of this
25 state and is not provided with the equipment required by state statute
26 for vehicles of such type which are used on the highways of this state;

27 (B) any motor vehicle, other than a salvage vehicle, for which the
28 owner has not provided motor vehicle liability insurance coverage or an
29 approved self insurance plan under K.S.A. 40-3104, and amendments
30 thereto, and has not applied for or obtained registration of such motor
31 vehicle in accordance with article 1 of chapter 8 of the Kansas Statutes
32 Annotated; or

33 (C) any all-terrain vehicle;

34 (2) "salvage vehicle" means:

35 (A) Any motor vehicle, *other than a late model vehicle*, which is of a
36 type required to be registered in this state, but which cannot be registered
37 because it has been wrecked or damaged to the extent that: The equip-
38 ment required by state statute on any such vehicle used on the highways
39 of this state is not present or is not in good condition or proper adjust-
40 ment, as prescribed by state statute or any rules and regulations adopted
41 pursuant thereto, or such vehicle is in an inoperable condition or a con-
42 dition that would render the operation thereof on the highways of this
43 state a hazard to the public safety; and in either event, such vehicle would

1 require substantial repairs to rebuild or restore such vehicle to a condition
2 which will permit the registration thereof;

3 (B) *a late model vehicle which is of a type required to be registered*
4 *in this state and which has been wrecked or damaged to the extent that*
5 *the total cost of repair ~~at retail is 80%~~ is 75% or more of the fair market*
6 *value of the motor vehicle immediately preceding the time it was wrecked*
7 *or damaged and such condition was not merely exterior cosmetic*
8 **damage to such vehicle as a result of windstorm or hail; or**

9 (C) *a motor vehicle, which is of a type required to be registered in*
10 *this state that the insurer determines is a total loss and for which the*
11 *insurer takes title;*

12 (3) “salvage title” means a certificate of title issued by the division
13 designating a motor vehicle a salvage vehicle;

14 (4) “rebuilt salvage vehicle” means any motor vehicle previously is-
15 sued a salvage title;

16 (5) “rebuilt salvage title” means a certificate of title issued by the
17 division for a vehicle previously designated a salvage vehicle which is now
18 designated a rebuilt salvage vehicle-;

19 (6) “late model vehicle” means any motor vehicle which has a man-
20 ufacturer’s model year designation of or later than the year in which the
21 vehicle was wrecked or damaged or any of the six preceding years;

22 (7) “fair market value” means the retail value of a motor vehicle as:

23 (A) *Set forth in a current edition of any nationally recognized com-
24 pilation, including an automated database of retail value; or*

25 (B) *determined pursuant to a market survey of comparable vehicles
26 with regard to condition and equipment;*

27 (8) *“cost of repairs” means the estimated ~~retail cost of parts and labor~~
28 ~~needed to repair the vehicle to its condition immediately before it was~~
29 ~~wrecked or damaged. If the vehicle has been repaired, the “cost of repair”~~
30 ~~means the actual retail cost of the parts and the cost of the labor computed~~
31 ~~by using the hourly labor rate and time allocations that are reasonable~~
32 ~~and customary in the automobile repair industry in the community where~~
33 ~~the repairs are to be performed which was used to repair the vehicle to~~
34 ~~its condition immediately before it was wrecked or damaged~~ or actual
35 retail cost of parts needed to repair a vehicle plus the cost of labor
36 computed by using the hourly labor rate and time allocations for
37 automobile repairs that are customary and reasonable. Retail costs
38 of parts and labor rates may be used upon collision estimating
39 manuals or electronic computer estimating systems customarily
40 used in the automobile repair industry.*

41 **Sec. 2. K.S.A. 2003 Supp. 8-198 is hereby amended to read as**
42 **follows: 8-198. (a) A nonhighway or salvage vehicle shall not be**
43 **required to be registered in this state, as provided in K.S.A. 8-135,**

1 and amendments thereto, but nothing in this section shall be con-
2 strued as abrogating, limiting or otherwise affecting the provisions
3 of K.S.A. 8-142, and amendments thereto, which make it unlawful
4 for any person to operate or knowingly permit the operation in
5 this state of a vehicle required to be registered in this state.

6 (b) Upon the sale or transfer of any nonhighway vehicle or sal-
7 vage vehicle, the purchaser thereof shall obtain a nonhighway cer-
8 tificate of title or salvage title, whichever is applicable, in the fol-
9 lowing manner:

10 (1) If the transferor is a vehicle dealer, as defined in K.S.A. 8-
11 2401, and amendments thereto, and a certificate of title has not
12 been issued for such vehicle under this section or under the pro-
13 visions of K.S.A. 8-135, and amendments thereto, such transferor
14 shall make application for and assign a nonhighway certificate of
15 title or a salvage title, whichever is applicable, to the purchaser of
16 such nonhighway vehicle or salvage vehicle in the same manner
17 and under the same conditions prescribed by K.S.A. 8-135, and
18 amendments thereto, for the application for and assignment of a
19 certificate of title thereunder. Upon the assignment thereof, the
20 purchaser shall make application for a new nonhighway certificate
21 of title or salvage title, as provided in subsection (c) or (d).

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

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

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

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

34 (d) (1) *Except as otherwise provided by this section, the owner of a*
35 *vehicle that meets the definition of a salvage vehicle shall apply for a*
36 *salvage title before the ownership of the motor vehicle is transferred. In*
37 *no event shall such application be made more than 30 days after the*
38 *vehicle is determined to be a salvage vehicle.*

39 (2) *Every insurance company, which pursuant to a damage settle-*
40 *ment, acquires ownership of a vehicle that has incurred damage requiring*
41 *the vehicle to be designated a salvage vehicle, shall apply for a salvage*
42 *title within 30 days after the title is assigned and delivered by the owner*
43 *to the insurance company, with all liens released.*

1 (3) *Every insurance company which makes a damage settlement for*
2 *a vehicle that has incurred damage requiring such vehicle to be designated*
3 *a salvage vehicle, but does not acquire ownership of the vehicle, shall*
4 *notify the vehicle owner of the owner's obligation to apply for a salvage*
5 *title for the motor vehicle, and shall notify the division of this fact in*
6 *accordance with procedures established by the division. The vehicle owner*
7 *shall apply for a salvage title within 30 days after being notified by the*
8 *insurance company.*

9 (4) *The lessee of any vehicle which incurs damage requiring the ve-*
10 *hicle to be designated a salvage vehicle shall notify the lessor of this fact*
11 *within 30 days of the determination that the vehicle is a salvage vehicle.*

12 (5) *The lessor of any motor vehicle which has incurred damage re-*
13 *quiring the vehicle to be titled as a salvage vehicle, shall apply for a salvage*
14 *title within 30 days after being notified of this fact by the lessee.*

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

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

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

38 ~~(d)~~ (e) **A nonhighway certificate of title or salvage title shall be**
39 **in form and color as prescribed by the director of vehicles. A non-**
40 **highway certificate of title or salvage title shall indicate clearly and**
41 **distinctly on its face that it is issued for a nonhighway vehicle or**
42 **salvage vehicle, whichever is applicable. A nonhighway certificate**
43 **of title or salvage title shall contain substantially the same infor-**

1 mation as required on a certificate of title issued under K.S.A. 8-
2 135, and amendments thereto, and other information the director
3 deems necessary.

4 ~~(e)~~ (f) (1) A nonhighway certificate of title or salvage title may
5 be transferred in the same manner and under the same conditions
6 as prescribed by K.S.A. 8-135, and amendments thereto, for the
7 transfer of a certificate of title, except as otherwise provided in
8 this section. A nonhighway certificate of title or salvage title may
9 be assigned and transferred only while the vehicle remains a non-
10 highway vehicle or salvage vehicle.

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

19 (3) Upon transfer or sale of a salvage vehicle which has been
20 rebuilt or restored or is otherwise in a condition which will allow
21 the registration of such vehicle, the owner shall assign the salvage
22 title to the purchaser, and the purchaser shall obtain a rebuilt salvage
23 title and register such vehicle as provided in K.S.A. 8-135,
24 and amendments thereto. No rebuilt salvage title shall be issued
25 for a vehicle for which there has been issued a salvage title until
26 there has been compliance with K.S.A. 8-116a, and amendments
27 thereto. *Failure to apply for a rebuilt salvage title as provided by this*
28 *subsection shall be a class C nonperson misdemeanor.*

29 ~~(f)~~ (g) The owner of a salvage vehicle which has been issued a
30 salvage title and has been assembled, reconstructed, reconstituted
31 or restored or otherwise placed in an operable condition may make
32 application to the county treasurer for a permit to operate such
33 vehicle on the highways of this state over the most direct route
34 from the place such salvage vehicle is located to a specified loca-
35 tion named on the permit and to return to the original location.
36 No such permit shall be issued for any vehicle unless the owner
37 has motor vehicle liability insurance coverage or an approved self-
38 insurance plan under K.S.A. 40-3104, and amendments thereto.
39 Such permit shall be on a form furnished by the director of vehicles
40 and shall state the date the vehicle is to be taken to the other
41 location, the name of the insurer, as defined in K.S.A. 40-3103, and
42 amendments thereto, and the policy number or a statement that
43 the vehicle is included in a self-insurance plan approved by the

1 commissioner of insurance, a statement attesting to the correct-
2 ness of the information concerning financial security, the vehicle
3 identification number and a description of the vehicle. Such per-
4 mit shall be signed by the owner of the vehicle. Permits issued
5 under this subsection ~~(f)~~ (g) shall be prepared in triplicate. One
6 copy shall be carried in the vehicle for which it is issued and shall
7 be displayed so that it is visible from the rear of the vehicle. The
8 second copy shall be retained by the county treasurer, and the
9 third copy shall be forwarded by the county treasurer to the divi-
10 sion of vehicles. The fee for such permit shall be \$1 which shall be
11 retained by the county treasurer, who shall annually forward 25%
12 of all such fees collected to the division of vehicles to reimburse
13 the division for administrative expenses, and shall deposit the re-
14 mainder in a special fund for expenses of issuing such permits.

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

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

30 New Sec. 3. Any person who is the owner of a vehicle which is
31 a rebuilt salvage vehicle as defined under K.S.A. 8-197, and
32 amendments thereto, shall cause a notice to be attached perma-
33 nently to the left door frame of the vehicle which shall be attached
34 by the Kansas highway patrol and specify the vehicle identification
35 number of the vehicle and that it is a rebuilt salvage vehicle. The
36 notice shall be attached prior to transfer of such vehicle to the next
37 owner after such vehicle has become a rebuilt salvage vehicle. It
38 shall be unlawful for any person to remove, obliterate or alter any
39 notice affixed to a vehicle pursuant to the provisions of this section
40 or for any person to fail to cause the notice to required to be af-
41 fixed. A violation of this section shall be a class A nonperson
42 misdemeanor.

43 New Sec. 4. (a) Any person licensed as a salvage vehicle dealer

1 under K.S.A. 8-2401 *et seq.*, and amendments thereto, who wishes
2 to purchase nonrepairable vehicles, as defined in K.S.A. 8-135c,
3 and amendments thereto, or salvage vehicles, as defined in K.S.A.
4 8-197, and amendments thereto, at an auction or salvage vehicle
5 pool, shall make application to the division for a buyer's identi-
6 fication card. The application shall be on a form prescribed by the
7 director and shall contain the applicant's name, principal business
8 address, the license number under which the applicant will be
9 making purchases and such other information as the director may
10 require. In lieu of directly obtaining a buyer's identification card
11 or in addition thereto, any person licensed as a salvage vehicle
12 dealer, may designate up to two employees to act as buyers for the
13 licensee. The licensee shall make application for a buyer's identi-
14 fication card for each employee in the same manner as for a card
15 for the licensee.

16 (b) Sales of nonrepairable vehicles or salvage vehicles at auc-
17 tions or salvage vehicle pools, shall be opened only to persons pos-
18 sessing a Kansas buyers identification card as provided in subsec-
19 tion (a).

20 (c) An annual \$10 fee shall be charged for each identification
21 card issued.

22 (d) A buyer's identification card is nontransferable. If the
23 holder of a card no longer possesses a valid salvage dealer license
24 or if an employee of the licensee leaves the employment of the
25 licensee, the buyer's identification card of that person is invalid
26 and the holder shall return the card to the division.

27 (e) Any person who holds a valid salvage vehicle dealer's li-
28 cense from another state that imposes qualifications and require-
29 ments with respect to the license that are equivalent to those re-
30 quired by K.S.A. 8-2401, *et seq.*, and amendments thereto, may
31 make application to the director who shall, based upon the direc-
32 tor's investigation, issue a buyer's identification card to those ap-
33 plicants who the director determines are qualified.

34 (f) A buyer's identification card may be denied, suspended or
35 revoked or a renewal may be refused by the director on any of the
36 applicable grounds listed in K.S.A. 8-2410, and amendments
37 thereto. In addition, the director may revoke or suspend the li-
38 cense of a salvage vehicle dealer who allows such dealer's buyer's
39 identification card or the buyer's identification card of an em-
40 ployee to be used by any unauthorized person.

41 (g) This section shall be a part of and supplemental to the ve-
42 hicle dealers and manufacturers licensing act.

43 Sec. ~~2~~ 5. K.S.A. 8-197 ~~is~~ and K.S.A. 2003 Supp. 8-198 are hereby

1 repealed.

2 Sec. ~~3~~ **6**. This act shall take effect and be in force from and after its
3 publication in the statute book.