

MINUTES OF THE SENATE TRANSPORTATION COMMITTEE

The meeting was called to order by Chairman Les Donovan at 8:30 A.M. on March 7, 2007 in Room 527-S of the Capitol.

All members were present except:

Peggy Palmer- excused
Anthony Hensley- excused

Committee staff present:

Hank Avila, Kansas Legislative Research Department
Mike Corrigan, Revisors of Statutes
Maggie Breen, Committee Assistant

Conferees appearing before the committee:

Representative Ann Mah
Dave Cromwell, Board of Emergency Medical Services
Whitney Damron, Kansas Automobile Dealers Association
Kathy Olsen, Kansas Bankers Association

Others attending:

See attached list.

Chairman Donovan opened the hearing on **HB 2119--Emergency medical services license plates**.

Proponents:

Representative Ann Mah said the license tag was requested by the Board of Emergency Medical Services to honor EMS professionals and to aid in recruiting. The board has worked for and reached the required number of signatures and funding for the design and production. She urged the committee's support. (Attachment 1)

Dave Cromwell, EMS Operations Manager, Board of Emergency Medical Services, said Kansas, like many other states, faces a shortage of emergency personnel. Older members are retiring and the ability to recruit and retain is lacking. Rural Kansas communities especially face these issues. In a large portion of the state, rural EMS is made up of volunteers. It's especially difficult to staff daytime shifts due to daytime obligations. Legislation like **HB 2119** attempts to address the issue of recruitment and retention. Continued support from the legislature, budget submission, and KBEMS grants to local services has provided the agency with the tools to aid and support EMS services, through technical support, training, and educational funding. The passage of this bill would help demonstrate support and acknowledgment from the state. (Attachment 2)

Chairman Donovan closed the hearing on **HB 2119** and opened the hearing on **HB 2373--Certificates of title, second liens**.

Proponents:

Whitney Damron, Kansas Automobile Dealers Association, explained that current law allows up to two liens on each certificate of title. **HB 2373** limits the number of liens on a motor vehicle certificate of title to one. The need for the legislation has come about because we have a paperless title system in Kansas. Prior to the adoption of that system, any lien had to be physically noted on the back of the title. That's no longer the case. There is a window of opportunity where there can be a second lien that is not apparent at the time of a trade in or sale but shows up a few days later. He presented a technical amendment suggested by the revisor. On page 5, line 31, where it refers to the term "it". Bruce Kinzie, on the House side, said revisors don't like to use the word it and suggested it be changed to "that such person." He also said that KBA has an amendment which they supports. (Attachment 3)

Senator Journey said it sounded like a serious issue and asked Mr. Damron if he would be opposed to change the effective date to upon appearance in the Kansas Register. Mr. Damron said he would't oppose it but would defer to the Department of Revenue to see if it would put undue pressure on them. The Department of Revenue said it wouldn't be a problem.

Kathy Olsen, Kansas Bankers Association, said they are in support of the bill. They learned, after the House

CONTINUATION SHEET

MINUTES OF THE Senate Transportation Committee at 8:30 A.M. on March 7, 2007 in Room 527-S of the Capitol.

hearing, that they do have owners of larger more costly vehicles, like the semi- tractor trailers, that build up equity in the vehicle and do have a need to use them to secure loans for their businesses. She included an amendment to exclude vehicles weighing over 26,000 pounds from the one lien limitation with her testimony. KBA is very appreciative of the language on page 5 dealing with refinancing. A lot of times their lenders will put the paperwork in for refinancing before the person has released the first lien so it might look like a second lien. The language will allow lenders to continue to conduct business as usual. (Attachment 4)

Chairman Donovan said the committee would take action on some bills.

HB 2373--Certificates of title, second liens.

Senator Wilson made a motion to adopt the amendment to change the definition of "it" on page 31, line 5 of HB 2373. Seconded by Senator Schmidt. The motion carried.

Senator Petersen made a motion to adopt the amendment presented by KBA to exclude the larger vehicles. Seconded by Senator Schmidt. The motion carried.

Senator Journey made a motion to amend the bill to make it effective upon entry in the Kansas Register. Seconded by Senator Petersen. The motion carried.

Senator Wilson made a motion to move HB 2373 out favorably as amended. Seconded by Senator Schmidt. The motion carried. Senator Wilson will carry the bill.

HB 2119--Emergency medical services license plates .

Senator Schmidt made a motion to move HB 2119 out favorably and it be put on the consent calendar. Seconded by Senator Schmidt, The motion carried.

Sub for HB 2042-Drivers' licenses, 21 year olds, renewals.

Senator Schmidt made a motion to pass Sub for HB 2042 out favorably, seconded by Senator Wilson. The motion carried.

HB 2374--Division of vehicles, records, access.

Senator Journey made a motion to move HB 2374 out favorably, seconded by Senator Wilson. The motion carried. Senator Petersen will carry the bill.

The minutes for February 15, February 20, and February 21 were presented to the committee.

Senator Wilson made a motion to accept the minutes as written, seconded by Senator Gilstrap. The motion carried.

The meeting adjourned at 9:01 a.m. The next meeting is scheduled for Thursday, March 8th.

**SENATE TRANSPORTATION COMMITTEE
GUEST LIST**

DATE: March 7, 2007

NAME	REPRESENTING
ROBYN HORTON	KS MOTOR CARRIERS ASSOC.
Robert Walker	KBEMS
Dewe Cromwell	KBEMS
Diane Albert	KDOR
Kathy Olsen	KS Bankers Assoc.
Whitney Jamron	KS Automobile Dealers Assn.
Cammie Allieott	KDOR
Michelle McKein	KDOR

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TOPEKA

HOUSE OF
REPRESENTATIVES

COMMITTEE ASSIGNMENTS
EDUCATION
FEDERAL AND STATE AFFAIRS
GOVERNMENT EFFICIENCY AND
TECHNOLOGY

Senate Transportation Committee
Chairman Donovan
Testimony – HB 2119

Mr. Chairman and Committee, thank you for hearing our bill today. HB 2119 provides for the introduction of a new distinctive license tag for Emergency Medical Services attendants. The license tag was requested by the Board of Emergency Medical Services to honor EMS professionals and to aid in recruiting.

Board personnel have been working to get the required number of signatures of interested parties and obtain funding for the design and production. The estimated one-time cost of \$8,000 to \$10,000 would be paid out of the Emergency Medical Services operating fund.

I appreciate your consideration of this bill and request your approval in appreciation of the service that EMS providers have given to our state.



KANSAS

DENNIS ALLIN, M.D., CHAIR
ROBERT WALLER, CHIEF ADMINISTRATOR

KATHLEEN SEBELIUS, GOVERNOR

BOARD OF EMERGENCY MEDICAL SERVICES

Testimony

Date: March 5, 2007
To: Senate Committee on Transportation
From: David Cromwell, EMS Operations Manager
RE: House Bill 2119

Chairman Donovan and members of the Senate Transportation Committee, thank you for the opportunity to provide testimony on the House Bill 2119, my name is David Cromwell and I am the EMS Operations Manager for the Kansas Board of Emergency Medical Services (KBEMS).

Kansas, not unlike many other states, is faced with a severe shortage of EMS personnel. In particular the ability to recruit and retain. Rural Kansas communities especially face these issues as the numbers of volunteers dwindle. A large portion of our State, rural EMS, is made up of volunteers. Volunteer attendants are the backbone of many rural EMS programs, but their numbers are declining and it is especially difficult to staff day time shifts due to employment obligations. This is due to a number of factors, two being the inability of individuals to acquire time off from their full-time employer to volunteer, and an overall reduction nationwide in the number of individuals that volunteer their time and service. The current number of volunteers are getting older and thus starting to retire from service. Younger Americans on the other hand, are either not volunteering to the level that the previous generation did or realize that to make a career of EMS, they will eventually have to move to the urban or more populated areas of the state. These factors and others contribute to a shortage of certified attendants including family obligations, educational requirements, low pay and 24 hour coverage not to mention the physical and mental strains it puts on these caring and dedicated individuals. This in turn causes ambulance response times to slow and lengthens the time it takes for those in need to get assistance. These are all key factors that make it difficult to hire and retain certified EMS attendants.

Legislation like HB 2119 attempts to address the issue of recruitment and retention. The continued support from this Legislature, our budget submission, and KBEMS grants to local services has provided the agency with the tools to aid and support EMS services through technical support, training, and educational funding. The passage of this bill would go a long way to demonstrate support and acknowledgement from the State.

EMS Background

EMS, after thirty some years, is finally coming of age and is being recognized as a third public servant. In 1966 the National Highway Safety Act charged the United States DOT with developing EMS Standards. In

1973 Congress passed those standards known as the National Emergency Medical Services System Act and was the cornerstone of a federal effort to improve EMS systems across the United States. Since then, states have gained more control over their EMS systems. I personally have been involved in the industry for twenty eight years and in my career, have seen the industry develop to what I would consider state of the art. When I started in EMS, patient care was "load and go". Today, when you call for an ambulance, a rolling emergency room arrives because of the evolution in EMS, the educational requirements, the devotion and dedication. We are simply asking that you help us recognize these individuals and services for who and what they are.

Bill Language

House Bill 2119, allows any resident of the State of Kansas who is the owner or lessee of a passenger vehicle, trucks of a gross weight of 20,000 pounds or less or motorcycles to be issued a distinctive Emergency Medical Services license plate upon submission of proof to the Director of Vehicles and payment of appropriate registration and payment of regular license fees. The application for the distinctive license plate must be made not less than 60 days prior to the registration renewal date on a form prescribed and furnished by the Director of Vehicles and verification of EMS certification. The bill was amended by House Transportation. The amended bill strikes the ability of any Kansas EMS service who operates a licensed ambulance to also apply for a distinctive Emergency Medical Services license plate. The bill would take effect January 1, 2008.

The bill as introduced would cost an estimated \$8,000 to \$10,000, according the Department of Revenue. The costs are based on the development of the distinctive license plate by the Department of Revenue and financing would be provided from the Emergency Medical Services operating fund. The expenditure would be a onetime cost. The continuation of the Emergency Medical Services distinctive license plate would be determined by the number of certified EMS attendants who renew.

KBEMS has already demonstrated an interest for the tag from EMS attendants. The requirement was to demonstrate that at minimum, 500 people would request the tag. To date, KBEMS has received over 675 forms completed and returned. Verification of eligibility from the attendant would be made through providing a KBEMS certification card during registration.

The bill, as amended, mirrors the distinctive license plate for fire fighter's bill that went into effect last year.

Conclusion

Simply, members of the Committee, the passage of HB 2119 provides EMS personnel, rural and urban, volunteer and full/part-time with a level of respect and recognition they deserve within their own community and when traveling about the state. As Operations Manager, and a former flight paramedic, I don't know of an attendant in the state that is not proud of what he or she does. These are the folks that get up in the middle of the night to help others when they are in need. KBEMS would ask that you help us recognize these attendants for their service and dedication in providing pre-hospital care to the citizens of our State.

Thank you for allowing me to testify in support of HB 2119 and I will stand for any questions you may have.



TESTIMONY

**TO: The Honorable Les Donovan, Chair
And Members of the
Senate Committee on Transportation**

**From: Whitney Damron, Legislative Counsel
Kansas Automobile Dealers Association**

**RE: HB 2373 - An Act concerning certificates of title; relating to liens
on vehicles.**

DATE: March 7, 2007

Good morning Chairman Donovan and Members of the Senate Committee on Transportation. I am Whitney Damron and I serve as the legislative counsel for the Kansas Automobile Dealers Association. Accompany me today is Mr. Pat Barnes, KADA legal counsel, who will be available to respond to any questions you might have following my testimony relating to liens on motor vehicles and this bill before you today.

KADA President Don McNeely left for Washington, D.C. this morning and is not able to be here today.

KADA stands before you today in support of HB 2373, which would limit the number of liens on a certificate of title in Kansas after July 1, 2007 to one. Current law allows for up to two liens on a certificate of title.

HB 2373 is needed to protect the purchasers of motor vehicles, including dealers and individuals, from having a lien attach to a certificate of title after a transaction for sale has been concluded.

This issue came to the attention of KADA in the spring of 2006 when several of our members in Sedgwick County market area traded for vehicles and paid off the primary lien only to be notified by the Kansas Department of Revenue at a late date that a second lien had been perfected on the vehicle. By that time, the vehicle, which had been traded in, had been sold, wholesaled or auctioned off, and the original seller was no longer available to remedy the situation. Under Kansas law a dealer is required to provide a title within 30 days of a transaction, which forced the dealers involved in these examples to pay off the outstanding second lien, which they were unaware of at the time of the original transaction, at their own expense, sometimes with accompanying interest and penalties.

This problem can occur when a second lien is placed on a vehicle at the local level and the period of time it takes for the lien to be filed and ultimately perfected by the Kansas Department of Revenue.

When KADA was made aware of this issue last year, we contacted the Division of Motor Vehicles to see if there was any kind of administrative remedies we could implement to protect the purchaser of a vehicle and found there apparently was none available at this time.

Following those inquiries, we met collectively with the Kansas Department of Revenue, Division of Motor Vehicles, Office of the State Bank Commissioner and the Kansas Bankers Association in attempts to craft a solution to this problem that is only going to expand as sub-prime motor lenders continue to increase their numbers in Kansas.

We explored the feasibility of a "real-time" lien verification system, but that proved impractical. The Department of Revenue is in the beginning stages of revamping their computer system that would include a real-time lien verification program, but that could take from 2-4 years or more to implement

In our review of this issue, we discovered that the State of Missouri prohibits a borrower from obtaining a title loan unless there is clear title (*Missouri Revised Statutes*, Chapter 367.527) and similar legislation is being introduced this year in several other states. We have patterned our legislative proposal after Missouri by limiting the number of liens in Kansas on a title to one, as current law allows for two liens to be perfected on a title.

Prior to the implementation of a paperless title system in Kansas, this was not an issue because a lien had to be physically affixed to the title for it to be valid and perfected. With a paperless electronic title, liens can cross in cyberspace, so to speak, and a lien can be lawfully attached to a title even after the vehicle has been transferred or sold.

Perhaps in the future, when the Department of Revenue has the opportunity to revamp its computer system there will not be a need for this kind of protection for the consumer and the Kansas dealers, as a real-time electronic data base could be accessed to ascertain the liens. However, at this juncture, the Kansas Automobile Dealers Association believes legislation such as HB 2373 is not only appropriate, but absolutely necessary to protect the integrity of the motor vehicle title process for dealers and individual consumers alike.

Finally, it is our understanding that the Kansas Bankers Association will propose an amendment to this bill to exclude its application to vehicles with a GVWR (Gross Vehicle Weight Rating) of 26,000 pounds or more. We believe this exclusion for heavy tractor-type vehicles is an appropriate amendment.

HB 2773 was approved by the House on a vote of 122-0. We do not believe this amendment would cause concerns with the House or other parties who have monitored or been involved with crafting this legislation.

On behalf of the Kansas Automobile Dealers Association, I thank you for your consideration of this bill and would be pleased to stand for questions.

WBD

1 in the vehicle described on the date of such mailing or delivery. The
 2 county treasurers shall mail a copy of the title application to the Kansas
 3 lienholder. Each county treasurer shall charge the Kansas lienholder a
 4 \$1.50 service fee for processing and mailing a copy of the title application
 5 to the Kansas lienholder.

6 (6) It shall be unlawful for any person to operate in this state a vehicle
 7 required to be registered under this act, or to transfer the title to any
 8 such vehicle to any person or dealer, unless a certificate of title has been
 9 issued as herein provided. In the event of a sale or transfer of ownership
 10 of a vehicle for which a certificate of title has been issued, which certifi-
 11 cate of title is in the possession of the transferor at the time of delivery
 12 of the vehicle, the holder of such certificate of title shall endorse on the
 13 same an assignment thereof, with warranty of title in a form prescribed
 14 by the division and printed thereon and the transferor shall deliver the
 15 same to the buyer at the time of delivery to the buyer of the vehicle or
 16 at a time agreed upon by the parties, not to exceed 30 days, inclusive of
 17 weekends and holidays, after the time of delivery. The agreement of the
 18 parties shall be executed on a form provided by the division. The require-
 19 ments of this paragraph concerning delivery of an assigned title are sat-
 20 isfied if the transferor mails to the transferee by restricted mail the as-
 21 signed certificate of title within the 30 days, and if the transferor is a
 22 dealer, as defined by K.S.A. 8-2401, and amendments thereto, such trans-
 23 feror shall be deemed to have possession of the certificate of title if the
 24 transferor has made application therefor to the division. The buyer shall
 25 then present such assigned certificate of title to the division at the time
 26 of making application for registration of such vehicle. A new certificate
 27 of title shall be issued to the buyer, upon payment of the fee of \$10. If
 28 such vehicle is sold to a resident of another state or country, the dealer
 29 or person making the sale shall notify the division of the sale and the
 30 division shall make notation thereof in the records of the division. When
 31 a person acquires a security agreement interest ~~it seeks to perfect~~ on
 32 a vehicle subsequent to the issuance of the original title on such vehicle,
 33 such person shall require the holder of the certificate of title to surrender
 34 the same and sign an application for a mortgage title in form prescribed
 35 by the division. Upon such surrender such person shall immediately de-
 36 liver the certificate of title, application, and a fee of \$10 to the division.
 37 *On and after July 1, 2007, only one lien may be taken or accepted for*
 38 *security for an obligation to be secured by a lien to be shown on a certifi-*
 39 *cate of title. A refinancing shall not be subject to the limitations of this*
 40 *act. A refinancing is deemed to occur when the original obligation is sat-*
 41 *isfied and replaced by a new obligation. Lien obligations created before*
 42 *July 1, 2007, which are of a continuing nature shall not be subject to the*
 43 *limitations of this act until the obligation is satisfied. A lien in violation*

that such person



March 7, 2007

To: Senate Committee on Transportation

From: Kathleen Taylor Olsen, Kansas Bankers Association

Re: HB 2373: Second Liens on Vehicles

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to appear before you today in support of **HB 2373**. This bill amends the vehicle lien statute to effectively limit the number of liens which could be perfected against any vehicle to one.

The perfection of security interests is governed by a body of law under the Uniform Commercial Code (UCC) entitled, Article 9. Perfection is important with regard to a security interest in that it is how a lender protects itself against claims from competing creditors and other third parties. With regard to vehicles, the way a lender perfects its security interest is by getting its lien noted on the certificate of title representing that vehicle.

We appear today, to respectfully request a series of amendments which would make an exception to the "one lien per vehicle title" rule proposed, for vehicles with a gross vehicle weight rating of 26,000 pounds or more. Since the hearing in the House Transportation Committee, we have learned that these larger, more costly vehicles often times will have a second lien attached to them. For example, if the owner of a semi-tractor trailer has built up equity in his or her vehicle, that equity may be used to secure another loan – perhaps for the purchase of another vehicle or it may be used for any other purpose.

Many of these types of vehicles are used by the owner in his or her business or as the means to a career. In these cases, these vehicles may be the only assets with equity attached to them and so are available to work as collateral for business loan needs.

We believe that this exception is necessary to continue to allow owners of these vehicles to use the equity they have built up to access secured credit.

Kansas Bankers Association
Testimony on HB 2373
Page Two

Equally important to our industry is the provision on Page 5 of the bill which clearly states that refinancings are not subject to the restrictions of this bill. In many cases, when a lender refinances a vehicle loan, the lender will send in the paper work and pay the required fee before the first lien is actually released. So in theory, there could be a lapse time between when the refinancing lender's lien appears on the title and when the first lien is released. The exception on Page 5, lines 37-40, for refinancings will allow lenders to continue to conduct business as usual.

In conclusion, we would ask your favorable consideration of the attached amendments to HB 2373, and then favorable passage of HB 2373 as amended. Thank you.

1 any applicant obtaining a certificate of title for a repossessed vehicle shall
2 pay a fee of \$3.

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

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

23 (5) Except for a vehicle registered by a federally recognized Indian
24 tribe, as provided in paragraph (16), upon sale and delivery to the pur-
25 chaser of every vehicle subject to a purchase money security interest as
26 provided in article 9 of chapter 84 of the Kansas Statutes Annotated, and
27 amendments thereto, the dealer or secured party may complete a notice
28 of security interest and when so completed, the purchaser shall execute
29 the notice, in a form prescribed by the division, describing the vehicle
30 and showing the name and address of the secured party and of the debtor
31 and other information the division requires. *On and after July 1, 2007,*
32 *only one lien shall be taken or accepted.* The dealer or secured party,
33 within 30 days of the sale and delivery, may mail or deliver the notice of
34 security interest, together with a fee of \$2.50, to the division. The notice
35 of security interest shall be retained by the division until it receives an
36 application for a certificate of title to the vehicle and a certificate of title
37 is issued. The certificate of title shall indicate any security interest in the
38 vehicle. Upon issuance of the certificate of title, the division shall mail or
39 deliver confirmation of the receipt of the notice of security interest, the
40 date the certificate of title is issued and the security interest indicated, to
41 the secured party at the address shown on the notice of security interest.
42 The proper completion and timely mailing or delivery of a notice of se-
43 curity interest by a dealer or secured party shall perfect a security interest

for vehicles with a
gross vehicle weight
rating of 26,000
pounds or less. As
used in this section
"gross vehicle
weight rating" shall
have the same meanin
as set forth for the
same term in
K.S.A. 66,1,109(s),
and amendments
thereto. (Start new
paragraph.) The...

1 in the vehicle described on the date of such mailing or delivery. The
 2 county treasurers shall mail a copy of the title application to the Kansas
 3 lienholder. Each county treasurer shall charge the Kansas lienholder a
 4 \$1.50 service fee for processing and mailing a copy of the title application
 5 to the Kansas lienholder.

6 (6) It shall be unlawful for any person to operate in this state a vehicle
 7 required to be registered under this act, or to transfer the title to any
 8 such vehicle to any person or dealer, unless a certificate of title has been
 9 issued as herein provided. In the event of a sale or transfer of ownership
 10 of a vehicle for which a certificate of title has been issued, which certifi-
 11 cate of title is in the possession of the transferor at the time of delivery
 12 of the vehicle, the holder of such certificate of title shall endorse on the
 13 same an assignment thereof, with warranty of title in a form prescribed
 14 by the division and printed thereon and the transferor shall deliver the
 15 same to the buyer at the time of delivery to the buyer of the vehicle or
 16 at a time agreed upon by the parties, not to exceed 30 days, inclusive of
 17 weekends and holidays, after the time of delivery. The agreement of the
 18 parties shall be executed on a form provided by the division. The require-
 19 ments of this paragraph concerning delivery of an assigned title are sat-
 20 isfied if the transferor mails to the transferee by restricted mail the as-
 21 signed certificate of title within the 30 days, and if the transferor is a
 22 dealer, as defined by K.S.A. 8-2401, and amendments thereto, such trans-
 23 feror shall be deemed to have possession of the certificate of title if the
 24 transferor has made application therefor to the division. The buyer shall
 25 then present such assigned certificate of title to the division at the time
 26 of making application for registration of such vehicle. A new certificate
 27 of title shall be issued to the buyer, upon payment of the fee of \$10. If
 28 such vehicle is sold to a resident of another state or country, the dealer
 29 or person making the sale shall notify the division of the sale and the
 30 division shall make notation thereof in the records of the division. When
 31 a person acquires a security ~~agreement~~ **interest it seeks to perfect** on
 32 a vehicle subsequent to the issuance of the original title on such vehicle,
 33 such person shall require the holder of the certificate of title to surrender
 34 the same and sign an application for a mortgage title in form prescribed
 35 by the division. Upon such surrender such person shall immediately de-
 36 liver the certificate of title, application, and a fee of \$10 to the division.
 37 *On and after July 1, 2007, only one lien may be taken or accepted for*
 38 *security for an obligation to be secured by a lien to be shown on a certifi-*
 39 *cate of title. A refinancing shall not be subject to the limitations of this*
 40 *act. A refinancing is deemed to occur when the original obligation is sat-*
 41 *isfied and replaced by a new obligation. Lien obligations created before*
 42 *July 1, 2007, which are of a continuing nature shall not be subject to the*
 43 *limitations of this act until the obligation is satisfied. A lien in violation*

for any vehicle with a
 gross vehicle weight
 rating, as defined in
 subsection (5), of
 26,000 pounds or less.

1 *of this provision is void.* Upon receipt thereof, the division shall issue a
 2 new certificate of title showing the liens or encumbrances so created, but
 3 ~~not more than two liens or encumbrances~~ *only one lien or encumbrance*
 4 may be shown upon a title. ~~When a prior lienholder's name is removed~~
 5 ~~from the title, there must be satisfactory evidence presented to the di-~~
 6 ~~vision that the lien or encumbrance has been paid. When the indebted-~~
 7 ~~ness to a lienholder, whose name is shown upon a title, is paid in full,~~
 8 ~~such lienholder within 10 days after written demand by restricted mail,~~
 9 ~~shall furnish to the holder of the title a release of lien or execute such a~~
 10 ~~release in the space provided on the title. For failure to comply with such~~
 11 ~~a demand the lienholder shall be liable to the holder of the title for \$100~~
 12 ~~and also shall be liable for any loss caused to the holder by such failure.~~
 13 ~~When the indebtedness to a lienholder, whose name is shown upon a~~
 14 ~~title, is collected in full, such lienholder, within 30 days, shall furnish~~
 15 ~~notice to the holder of title that such indebtedness has been paid in full~~
 16 ~~and that such title may be presented to the lienholder at any time for~~
 17 ~~release of lien shall comply with the provisions of K.S.A. 2006 Supp. 8-~~
 18 ~~1,157, and amendments thereto.~~

19 (7) It shall be unlawful for any person to buy or sell in this state any
 20 vehicle required to be registered, unless, at the time of delivery thereof
 21 or at a time agreed upon by the parties, not to exceed 30 days, inclusive
 22 of weekends and holidays, after the time of delivery, there shall pass
 23 between the parties a certificate of title with an assignment thereof. The
 24 sale of a vehicle required to be registered under the laws of this state,
 25 without assignment of the certificate of title, is fraudulent and void, unless
 26 the parties shall agree that the certificate of title with assignment thereof
 27 shall pass between them at a time other than the time of delivery, but
 28 within 30 days thereof. The requirements of this paragraph concerning
 29 delivery of an assigned title shall be satisfied if (A) the seller mails to the
 30 purchaser by restricted mail the assigned certificate of title within 30 days,
 31 or (B) if the transferor is a dealer, as defined by K.S.A. 8-2401, and
 32 amendments thereto, such seller shall be deemed to have possession of
 33 the certificate of title if such seller has made application therefor to the
 34 division, or (C) if the transferor is a dealer and has assigned a title pur-
 35 suant to paragraph (9) of this subsection (c).

36 (8) In cases of sales under the order of a court of a vehicle required
 37 to be registered under this act, the officer conducting such sale shall issue
 38 to the purchaser a certificate naming the purchaser and reciting the facts
 39 of the sale, which certificate shall be prima facie evidence of the own-
 40 ership of such purchaser for the purpose of obtaining a certificate of title
 41 to such motor vehicle and for registering the same. Any such purchaser
 42 shall be allowed 30 days, inclusive of weekends and holidays, from the
 43 date of sale to make application to the division for a certificate of title

for vehicles with a
 gross vehicle rating of
 26,000 pounds or less,
 and not more than two
 liens or encumbrances
 for vehicles in excess
 of 26,000 pounds gross
 vehicle weight rating.