

SESSION OF 2004

**SUPPLEMENTAL NOTE ON
SUBSTITUTE FOR SENATE BILL NO. 380**

As Amended by House Committee on
Financial Institutions

Brief*

Sub. for SB 380, as amended, concerns notice to lienholders of towed or impounded vehicles. The bill, as it relates to abandoned vehicles, provides that the public agency which has impounded such a vehicle as provided by law, whether the vehicle displays or does not display a registration plate, shall request verification of the last registered owner and lienholders, if any, from the Division of Vehicles within 30 days of taking possession of the vehicle. The public agency must send a notice to the registered owner and the lienholder within 10 days of the verification informing them that, if the vehicle is not claimed and the towing and storage charges paid within 15 days, the vehicle will be sold at public auction.

Concerning towed vehicles and wrecker services, the bill reduces the storage period of any vehicle in the possession of a wrecker or towing service from 60 days to 30 days before which the vehicle may be sold to pay the reasonable or agreed charges for recovering, transporting, protection, storing, and safekeeping of the towed vehicle after giving notice as required. Prior to the sale, the person intending to sell the vehicle must request verification of the last registered owner and any lienholders within 30 days after the person took possession of the vehicle. Notice of sale must be sent by certified mail to any owner and lienholder within 10 days of the verification of the owner or lienholder. Deleted from the law is the ability to sell at any time after giving notice such a vehicle or personal property with a total value of less than \$1,000.

The House Committee amendments make the required notification to lienholders applicable to vehicles impounded under the driving under the influence (DUI) statutes, and allow notice of intent to sell a vehicle

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

to be published in a city as well as a county newspaper of general circulation in the county where the vehicle is to be sold.

Background

SB 380 was requested by the Kansas Bankers Association, whose representative explained that the bill provides a more timely and uniform notice to lienholders once a vehicle in which the lienholder has a security interest has been towed. The substitute bill is supported by the Division of Vehicles of the Department of Revenue, the Heartland Community Bankers Association, and the Kansas Motor Carriers Association.

The fiscal note prepared by the Division of the Budget indicates passage of the bill will have an impact on the Department of Revenue. However, with the amendments included in the substitute bill, the fiscal impact is removed.