

HOUSE BILL No. 2728

By Committee on Taxation

2-18

1 AN ACT concerning motor vehicles; relating to salvage ~~title~~ *titles*;
2 permits, number of copies; *acquisitions*; amending K.S.A. 2013 Supp.
3 8-198 and repealing the existing section.

4
5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2013 Supp. 8-198 is hereby amended to read as
7 follows: 8-198. (a) A nonhighway or salvage vehicle shall not be required
8 to be registered in this state, as provided in K.S.A. 8-135, and amendments
9 thereto, but nothing in this section shall be construed as abrogating,
10 limiting or otherwise affecting the provisions of K.S.A. 8-142, and
11 amendments thereto, which make it unlawful for any person to operate or
12 knowingly permit the operation in this state of a vehicle required to be
13 registered in this state.

14 (b) Upon the sale or transfer of any nonhighway vehicle or salvage
15 vehicle, the purchaser thereof shall obtain a nonhighway certificate of title
16 or salvage title, whichever is applicable, in the following manner:

17 (1) If the transferor is a vehicle dealer, as defined in K.S.A. 8-2401,
18 and amendments thereto, and a certificate of title has not been issued for
19 such vehicle under this section or under the provisions of K.S.A. 8-135,
20 and amendments thereto, such transferor shall make application for and
21 assign a nonhighway certificate of title or a salvage title, whichever is
22 applicable, to the purchaser of such nonhighway vehicle or salvage vehicle
23 in the same manner and under the same conditions prescribed by K.S.A. 8-
24 135, and amendments thereto, for the application for and assignment of a
25 certificate of title thereunder. Upon the assignment thereof, the purchaser
26 shall make application for a new nonhighway certificate of title or salvage
27 title, as provided in subsection (c) or (d).

28 (2) Except as provided in subsection (b) of K.S.A. 8-199, and
29 amendments thereto, if a certificate of title has been issued for any such
30 vehicle under the provisions of K.S.A. 8-135, and amendments thereto, the
31 owner of such nonhighway vehicle or salvage vehicle may surrender such
32 certificate of title to the division of vehicles and make application to the
33 division for a nonhighway certificate of title or salvage title, whichever is
34 applicable, or the owner may obtain from the county treasurer's office a
35 form prescribed by the division of vehicles and, upon proper execution
36 thereof, may assign the nonhighway certificate of title, salvage title or the

1 regular certificate of title with such form attached to the purchaser of the
2 nonhighway vehicle or salvage vehicle. Upon receipt of the nonhighway
3 certificate of title, salvage title or the regular certificate of title with such
4 form attached, the purchaser shall make application for a new nonhighway
5 certificate of title or salvage title, whichever is applicable, as provided in
6 subsection (c) or (d).

7 (3) If the transferor is not a vehicle dealer, as defined in K.S.A. 8-
8 2401, and amendments thereto, and a certificate of title has not been issued
9 for the vehicle under this section or a certificate of title was not required
10 under K.S.A. 8-135, and amendments thereto, the transferor shall make
11 application to the division for a nonhighway certificate of title or salvage
12 title, whichever is applicable, as provided in this section, except that in
13 addition thereto, the division shall require a bill of sale or such transferor's
14 affidavit, with at least one other corroborating affidavit, that such
15 transferor is the owner of such nonhighway vehicle or salvage vehicle. If
16 the division is satisfied that the transferor is the owner, the division shall
17 issue a nonhighway certificate of title or salvage title, whichever is
18 applicable, for such vehicle, and the transferor shall assign the same to the
19 purchaser, who shall make application for a new nonhighway certificate of
20 title or salvage title, whichever is applicable, as provided in subsection (c)
21 or (d).

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

40 (d) (1) Except as otherwise provided by this section, the owner of a
41 vehicle that meets the definition of a salvage vehicle shall apply for a
42 salvage title before the ownership of the motor vehicle is transferred. In no
43 event shall such application be made more than 60 days after the vehicle is

1 determined to be a salvage vehicle.

2 (2) Every insurance company, which pursuant to a damage
3 settlement, acquires ownership of a vehicle that has incurred damage
4 requiring the vehicle to be designated a salvage vehicle, shall apply for a
5 salvage title within 60 days after the title is assigned and delivered by the
6 owner to the insurance company, with all liens released. ***In the event that***
7 ***an insurance company is unable to obtain voluntary assignment of the***
8 ***title after 30 days from the date the vehicle owner enters into an oral or***
9 ***written damage settlement agreement where the owner agrees to transfer***
10 ***the title, the insurance company may submit an application on a form***
11 ***prescribed by the division for a salvage title. The form shall be***
12 ***accompanied by an affidavit from the insurance company stating that:***
13 ***(A) The insurance company is unable to obtain a transfer of the title***
14 ***from the owner following an oral or written acceptance of an offer of***
15 ***damage settlement; (B) there is evidence of the damage settlement; (C)***
16 ***that there are no existing liens on the vehicle or all liens on the vehicle***
17 ***have been released; (D) the insurance company has physical possession***
18 ***of the vehicle; and (E) the insurance company has provided the owner,***
19 ***at the owner's last known address, 30 days' prior notice of such intent to***
20 ***transfer and the owner has not delivered a written objection to the***
21 ***insurance company.***

22 (3) Every insurance company which makes a damage settlement for a
23 vehicle that has incurred damage requiring such vehicle to be designated a
24 salvage vehicle, but does not acquire ownership of the vehicle, shall notify
25 the vehicle owner of the owner's obligation to apply for a salvage title for
26 the motor vehicle, and shall notify the division of this fact in accordance
27 with procedures established by the division. The vehicle owner shall apply
28 for a salvage title within 60 days after being notified by the insurance
29 company.

30 (4) The lessee of any vehicle which incurs damage requiring the
31 vehicle to be designated a salvage vehicle shall notify the lessor of this fact
32 within 30 days of the determination that the vehicle is a salvage vehicle.

33 (5) The lessor of any motor vehicle which has incurred damage
34 requiring the vehicle to be titled as a salvage vehicle, shall apply for a
35 salvage title within 60 days after being notified of this fact by the lessee.

36 (6) Every person acquiring ownership of a motor vehicle that meets
37 the definition of a salvage vehicle, for which a salvage title has not been
38 issued, shall apply for the required document prior to any further transfer
39 of such vehicle, but in no event, more than 60 days after ownership is
40 acquired.

41 (7) Every purchaser of a salvage vehicle, whether assigned a salvage
42 title or a regular certificate of title with the form specified in paragraph (2)
43 of subsection (b) attached, shall make application to the county treasurer

1 of the county in which such person resides for a new salvage title, in the
2 same manner and under the same condition as for an application for a
3 certificate of title under K.S.A. 8-135, and amendments thereto. Such
4 application shall be in the form prescribed by the director of vehicles and
5 shall contain substantially the same provisions as required for an
6 application under subsection (c)(1) of K.S.A. 8-135, and amendments
7 thereto. In addition, such application shall provide a place for the applicant
8 to certify that the vehicle for which the application for salvage title is made
9 is a salvage vehicle, and other provisions the director deems necessary.
10 Each application for a salvage title shall be accompanied by a fee of \$10
11 and if the application is not made to the county treasurer within the time
12 prescribed by K.S.A. 8-135, and amendments thereto, for making
13 application for a certificate of title thereunder, an additional fee of \$2.

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

16 (e) A nonhighway certificate of title or salvage title shall be in form
17 and color as prescribed by the director of vehicles. A nonhighway
18 certificate of title or salvage title shall indicate clearly and distinctly on its
19 face that it is issued for a nonhighway vehicle or salvage vehicle,
20 whichever is applicable. A nonhighway certificate of title or salvage title
21 shall contain substantially the same information as required on a certificate
22 of title issued under K.S.A. 8-135, and amendments thereto, and other
23 information the director deems necessary.

24 (f) (1) A nonhighway certificate of title or salvage title may be
25 transferred in the same manner and under the same conditions as
26 prescribed by K.S.A. 8-135, and amendments thereto, for the transfer of a
27 certificate of title, except as otherwise provided in this section. A
28 nonhighway certificate of title or salvage title may be assigned and
29 transferred only while the vehicle remains a nonhighway vehicle or
30 salvage vehicle.

31 (2) Upon transfer or sale of a nonhighway vehicle in a condition
32 which will allow the registration of such vehicle, the owner shall assign
33 the nonhighway certificate of title to the purchaser, and the purchaser shall
34 obtain a certificate of title and register such vehicle as provided in K.S.A.
35 8-135, and amendments thereto. No regular certificate of title shall be
36 issued for a vehicle for which there has been issued a nonhighway
37 certificate of title until there has been compliance with K.S.A. 8-116a, and
38 amendments thereto.

39 (3) (A) Upon transfer or sale of a salvage vehicle which has been
40 rebuilt or restored or is otherwise in a condition which will allow the
41 registration of such vehicle, the owner shall assign the salvage title to the
42 purchaser, and the purchaser shall obtain a rebuilt salvage title and register
43 such vehicle as provided in K.S.A. 8-135, and amendments thereto. No

1 rebuilt salvage title shall be issued for a vehicle for which there has been
2 issued a salvage title until there has been compliance with K.S.A. 8-116a,
3 and amendments thereto, and the notice required in paragraph (3)(B) of
4 this subsection has been attached to such vehicle.

5 (B) As part of the inspection for a rebuilt salvage title conducted
6 under K.S.A. 8-116a, and amendments thereto, the Kansas highway patrol
7 shall attach a notice affixed to the left door frame of the rebuilt salvage
8 vehicle indicating the vehicle identification number of such vehicle and
9 that such vehicle is a rebuilt salvage vehicle. In addition to any fee allowed
10 under K.S.A. 8-116a, and amendments thereto, a fee of \$5 shall be
11 collected from the owner of such vehicle requesting the inspection for the
12 notice required under this paragraph. All moneys received under this
13 paragraph shall be remitted in accordance with subsection (e) of K.S.A. 8-
14 116a, and amendments thereto.

15 (C) Failure to apply for a rebuilt salvage title as provided by this
16 paragraph shall be a class C nonperson misdemeanor.

17 (g) The owner of a salvage vehicle which has been issued a salvage
18 title and has been assembled, reconstructed, reconstituted or restored or
19 otherwise placed in an operable condition may make application to the
20 county treasurer for a permit to operate such vehicle on the highways of
21 this state over the most direct route from the place such salvage vehicle is
22 located to a specified location named on the permit and to return to the
23 original location. No such permit shall be issued for any vehicle unless the
24 owner has motor vehicle liability insurance coverage or an approved self-
25 insurance plan under K.S.A. 40-3104, and amendments thereto. Such
26 permit shall be on a form furnished by the director of vehicles and shall
27 state the date the vehicle is to be taken to the other location, the name of
28 the insurer, as defined in K.S.A. 40-3103, and amendments thereto, and the
29 policy number or a statement that the vehicle is included in a self-
30 insurance plan approved by the commissioner of insurance, a statement
31 attesting to the correctness of the information concerning financial
32 security, the vehicle identification number and a description of the vehicle.
33 Such permit shall be signed by the owner of the vehicle. ~~Permits issued~~
34 ~~under this subsection (g) shall be prepared in triplicate. One copy~~ *The*
35 *permit* shall be carried in the vehicle for which it is issued and shall be
36 displayed so that it is visible from the rear of the vehicle. ~~The second copy~~
37 ~~shall be retained by the county treasurer, and the third copy shall be~~
38 ~~forwarded by the county treasurer to the division of vehicles.~~ The fee for
39 such permit shall be \$1 which shall be retained by the county treasurer,
40 who shall annually forward 25% of all such fees collected to the division
41 of vehicles to reimburse the division for administrative expenses, and shall
42 deposit the remainder in a special fund for expenses of issuing such
43 permits.

1 (h) A nonhighway vehicle or salvage vehicle for which a nonhighway
2 certificate of title or salvage title has been issued pursuant to this section
3 shall not be deemed a motor vehicle for the purposes of K.S.A. 40-3101 to
4 40-3121, inclusive, and amendments thereto, except when such vehicle is
5 being operated pursuant to subsection (g). Any person who knowingly
6 makes a false statement concerning financial security in obtaining a permit
7 pursuant to subsection (g), or who fails to obtain a permit when required
8 by law to do so is guilty of a class C misdemeanor.

9 (i) Any person who, on July 1, 1996, is the owner of an all-terrain
10 vehicle, as defined in K.S.A. 8-126, and amendments thereto, shall not be
11 required to file an application for a nonhighway certificate of title under
12 the provisions of this section for such all-terrain vehicle, unless the person
13 transfers an interest in such all-terrain vehicle.

14 (j) Any person who, on July 1, 2006, is the owner of a work-site
15 utility vehicle, as defined in K.S.A. 8-126, and amendments thereto, shall
16 not be required to file an application for a nonhighway certificate of title
17 under the provisions of this section for such work-site utility vehicle,
18 unless the person transfers an interest in such work-site utility vehicle.

19 Sec. 2. K.S.A. 2013 Supp. 8-198 is hereby repealed.

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