

As Amended by House Committee

Session of 2020

HOUSE BILL No. 2501

By Committee on Transportation

1-27

1 AN ACT concerning motor vehicles; relating to nonhighway and salvage
2 vehicles; allowing salvage vehicle pools to apply to the division of
3 vehicles for ownership documents; providing application and notice
4 requirements; amending K.S.A. 2019 Supp. 8-198 and repealing the
5 existing section.
6

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

8 Section 1. K.S.A. 2019 Supp. 8-198 is hereby amended to read as
9 follows: 8-198. (a) A nonhighway or salvage vehicle shall not be required
10 to be registered in this state, as provided in K.S.A. 8-135, and amendments
11 thereto, but nothing in this section shall be construed as abrogating,
12 limiting or otherwise affecting the provisions of K.S.A. 8-142, and
13 amendments thereto, which make it unlawful for any person to operate or
14 knowingly permit the operation in this state of a vehicle required to be
15 registered in this state.

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

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

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

1 by the division of vehicles and, upon proper execution thereof, may assign
2 the nonhighway certificate of title, salvage title or the regular certificate of
3 title with such form attached to the purchaser of the nonhighway vehicle or
4 salvage vehicle. Upon receipt of the nonhighway certificate of title,
5 salvage title or the regular certificate of title with such form attached, the
6 purchaser shall make application for a new nonhighway certificate of title
7 or salvage title, whichever is applicable, as provided in subsection (c) or
8 (d).

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

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

41 (d) (1) Except as otherwise provided by this section, the owner of a
42 vehicle that meets the definition of a salvage vehicle shall apply for a
43 salvage title before the ownership of the motor vehicle or travel trailer is

1 transferred. In no event shall such application be made more than 60 days
2 after the vehicle is determined to be a salvage vehicle.

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

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

30 (4) The lessee of any vehicle ~~which~~ *that* 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 or travel trailer ~~which~~ *that* has
34 incurred damage requiring the vehicle to be titled as a salvage vehicle,
35 shall apply for a salvage title within 60 days after being notified of this
36 fact by the lessee.

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

42 (7) Every purchaser of a salvage vehicle, whether assigned a salvage
43 title or a regular certificate of title with the form specified in subsection (b)

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

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

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

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

32 (2) Upon transfer or sale of a nonhighway vehicle in a condition
33 ~~which~~ *that* will allow the registration of such vehicle, the owner shall
34 assign the nonhighway certificate of title to the purchaser, and the
35 purchaser shall obtain a certificate of title and register such vehicle as
36 provided in K.S.A. 8-135, and amendments thereto. No regular certificate
37 of title shall be issued for a vehicle for which there has been issued a
38 nonhighway certificate of title until there has been compliance with K.S.A.
39 8-116a, and amendments thereto.

40 (3) (A) Upon transfer or sale of a salvage vehicle ~~which~~ *that* has been
41 rebuilt or restored or is otherwise in a condition ~~which~~ *that* will allow the
42 registration of such vehicle, the owner shall assign the salvage title to the
43 purchaser, and the purchaser shall obtain a rebuilt salvage title and register

1 such vehicle as provided in K.S.A. 8-135, and amendments thereto. No
2 rebuilt salvage title shall be issued for a vehicle for which there has been
3 issued a salvage title until there has been compliance with K.S.A. 8-116a,
4 and amendments thereto, and the notice required in subsection (f)(3)(B)
5 has been attached to such vehicle.

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

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

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

42 (h) A nonhighway vehicle or salvage vehicle for which a nonhighway
43 certificate of title or salvage title has been issued pursuant to this section

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

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

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

17 (k) (1) *A salvage vehicle pool, as defined in K.S.A. 8-2401, and*
18 *amendments thereto, may apply for an ownership document with the*
19 *division of vehicles without forwarding the statement of origin or*
20 *certificate of title to the division for a vehicle that is the subject of an*
21 *insurance claim when:*

22 (A) *At the request of an insurance company, the salvage vehicle pool*
23 *obtains possession of the vehicle;*

24 (B) *the insurance claim for the vehicle has not been paid by the*
25 *insurance company; and*

26 (C) *the vehicle has been abandoned at the salvage vehicle pool's*
27 *facility for more than 30 days.*

28 (2) *An application made pursuant to this ~~paragraph~~ subsection shall*
29 *provide sufficient evidence that at least two written notices were delivered*
30 *by certified mail, or through another courier service that provides proof of*
31 *delivery, to the owner of the vehicle ~~or~~ and any lienholder of the vehicle*
32 *requesting that the vehicle be removed from the salvage vehicle pool's*
33 *facility. Such written notice shall specify that the owner of the vehicle or*
34 *any lienholder of the vehicle has at least 30 days from the receipt of the*
35 *notice to remove the vehicle. If the salvage vehicle pool does not receive*
36 *proof of delivery for the notices, the salvage vehicle pool shall cause*
37 *notice of the application for an ownership document to be published in a*
38 *newspaper of general circulation in the county where the vehicle is*
39 *located.*

40 (3) *If the most recent ownership document for the vehicle was not*
41 *issued by this state, the application shall also include evidence of an*
42 *inspection of the vehicle completed by the Kansas highway patrol*
43 *pursuant to K.S.A. 8-116a, and amendments thereto. The application shall*

1 *also indicate whether a certificate of title, a salvage title or a*
2 *nonrepairable vehicle certificate shall be issued for the vehicle.*

3 *(4) Upon receipt of the application and all information required by*
4 *this ~~paragraph~~ **subsection**, the division shall issue to the salvage vehicle*
5 *pool a certificate of title, a salvage title or a nonrepairable vehicle*
6 *certificate free and clear of all liens, security interests and encumbrances.*

7 Sec. 2. K.S.A. 2019 Supp. 8-198 is hereby repealed.

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