

SENATE BILL No. 306

By Committee on Transportation

1-23

1 AN ACT concerning motor vehicles; relating to odometer requirements
2 upon transfer of vehicle; amending K.S.A. 2019 Supp. 8-135 and
3 repealing the existing section.
4

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

6 Section 1. K.S.A. 2019 Supp. 8-135 is hereby amended to read as
7 follows: 8-135. (a) Upon the transfer of ownership of any vehicle
8 registered under this act, the registration of the vehicle and the right to use
9 any license plate thereon shall expire and thereafter there shall be no
10 transfer of any registration, and the license plate shall be removed by the
11 owner thereof. Except as provided in K.S.A. 8-172, and amendments
12 thereto, and 8-1,147, and amendments thereto, it shall be unlawful for any
13 person, other than the person to whom the license plate was originally
14 issued, to have possession thereof. When the ownership of a registered
15 vehicle is transferred, the original owner of the license plate may register
16 another vehicle under the same number, upon application and payment of a
17 fee of \$1.50, if such other vehicle does not require a higher license fee. If a
18 higher license fee is required, then the transfer may be made upon the
19 payment of the transfer fee of \$1.50 and the difference between the fee
20 originally paid and that due for the new vehicle.

21 (b) Subject to the provisions of K.S.A. 8-198(a), and amendments
22 thereto, upon the transfer or sale of any vehicle by any person or dealer, or
23 upon any transfer in accordance with K.S.A. 59-3511, and amendments
24 thereto, the new owner thereof, within 60 days, inclusive of weekends and
25 holidays, from date of such transfer shall make application to the division
26 for registration or reregistration of the vehicle, but no person shall operate
27 the vehicle on any highway in this state during the sixty-day period
28 without having applied for and obtained temporary registration from the
29 county treasurer or from a dealer. After the expiration of the sixty-day
30 period, it shall be unlawful for the owner or any other person to operate
31 such vehicle upon the highways of this state unless the vehicle has been
32 registered as provided in this act. For failure to make application for
33 registration as provided in this section, a penalty of \$2 shall be added to
34 other fees. When a person has a current motorcycle or passenger vehicle
35 registration and license plate, including any registration decal affixed
36 thereto, for a vehicle and has sold or otherwise disposed of the vehicle and

1 has acquired another motorcycle or passenger vehicle and intends to
2 transfer the registration and the license plate to the motorcycle or
3 passenger vehicle acquired, but has not yet had the registration transferred
4 in the office of the county treasurer, such person may operate the
5 motorcycle or passenger vehicle acquired for a period of not to exceed 60
6 days by displaying the license plate on the rear of the vehicle acquired. If
7 the acquired vehicle is a new vehicle such person also must carry the
8 assigned certificate of title or manufacturer's statement of origin when
9 operating the acquired vehicle, except that a dealer may operate such
10 vehicle by displaying such dealer's dealer license plate.

11 (c) Certificate of title: No vehicle required to be registered shall be
12 registered or any license plate or registration decal issued therefor, unless
13 the applicant for registration shall present satisfactory evidence of
14 ownership and apply for an original certificate of title for such vehicle.
15 The following paragraphs of this subsection shall apply to the issuance of
16 a certificate of title for a nonhighway vehicle, salvage vehicle or rebuilt
17 salvage vehicle, as defined in K.S.A. 8-197, and amendments thereto,
18 except to the extent such paragraphs are made inapplicable by or are
19 inconsistent with K.S.A. 8-198, and amendments thereto, and to any
20 electronic certificate of title, except to the extent such paragraphs are made
21 inapplicable by or are inconsistent with K.S.A. 2019 Supp. 8-135d, and
22 amendments thereto, or with rules and regulations adopted pursuant to
23 K.S.A. 2019 Supp. 8-135d, and amendments thereto.

24 The provisions of paragraphs (1) through (14) shall apply to any
25 certificate of title issued prior to January 1, 2003, which indicates that
26 there is a lien or encumbrance on such vehicle.

27 (1) An application for certificate of title shall be made by the owner
28 or the owner's agent upon a form furnished by the division and shall state
29 all liens or encumbrances thereon, and such other information as the
30 division may require. Notwithstanding any other provision of this section,
31 no certificate of title shall be issued for a vehicle having any unreleased
32 lien or encumbrance thereon, unless the transfer of such vehicle has been
33 consented to in writing by the holder of the lien or encumbrance. Such
34 consent shall be in a form approved by the division. In the case of
35 members of the armed forces of the United States while the United States
36 is engaged at war with any foreign nation and for a period of six months
37 next following the cessation of hostilities, such application may be signed
38 by the owner's spouse, parents, brother or sister. The county treasurer shall
39 use reasonable diligence in ascertaining whether the facts stated in such
40 application are true, and if satisfied that the applicant is the lawful owner
41 of such vehicle, or otherwise entitled to have the same registered in such
42 applicant's name, shall so notify the division, who shall issue an
43 appropriate certificate of title. The certificate of title shall be in a form

1 approved by the division, and shall contain a statement of any liens or
2 encumbrances which the application shows, and such other information as
3 the division determines.

4 (2) The certificate of title shall contain upon the reverse side a form
5 for assignment of title to be executed by the owner. This assignment shall
6 contain a statement of all liens or encumbrances on the vehicle at the time
7 of assignment. The certificate of title shall also contain on the reverse side
8 blank spaces so that an abstract of mileage as to each owner will be
9 available. The seller at the time of each sale shall insert and certify the
10 mileage and the purchase price on the form filed for application or
11 reassignment of title, and the division shall insert such mileage on the
12 certificate of title when issued to purchaser or assignee. The signature of
13 the purchaser or assignee is required on the form filed for application or
14 reassignment of title, acknowledging the odometer and purchase price
15 certification made by the seller, ~~except that those vehicles which are 10~~
16 ~~model years or older and trucks with a gross vehicle weight of more than~~
17 ~~16,000 pounds shall be exempt from the mileage acknowledgment~~
18 ~~requirement of the purchaser or assignee that are exempt from odometer~~
19 ~~requirements pursuant to federal law shall be exempt from such~~
20 ~~requirement.~~ Such title shall indicate whether the vehicle for which it is
21 issued has been titled previously as a nonhighway vehicle or salvage
22 vehicle. In addition, the reverse side shall contain two forms for
23 reassignment by a dealer, stating the liens or encumbrances thereon. The
24 first form of reassignment shall be used only when a dealer sells the
25 vehicle to another dealer. The second form of reassignment shall be used
26 by a dealer when selling the vehicle to another dealer or the ultimate
27 owner of the vehicle. The reassignment by a dealer shall be used only
28 where the dealer resells the vehicle, and during the time that the vehicle
29 remains in the dealer's possession for resale, the certificate of title shall be
30 dormant. When the ownership of any vehicle passes by operation of law,
31 or repossession upon default of a lease, security agreement, or executory
32 sales contract, the person owning such vehicle, upon furnishing
33 satisfactory proof to the county treasurer of such ownership, may procure a
34 certificate of title to the vehicle. When a vehicle is registered in another
35 state and is repossessed in another state, the owner of such vehicle shall
36 not be entitled to obtain a valid Kansas title or registration, except that
37 when a vehicle is registered in another state, but is financed originally by a
38 financial institution chartered in the state of Kansas or when a financial
39 institution chartered in Kansas purchases a pool of motor vehicle loans
40 from the resolution trust corporation or a federal regulatory agency, and
41 the vehicle is repossessed in another state, such Kansas financial
42 institution shall be entitled to obtain a valid Kansas title or registration. In
43 addition to any other fee required for the issuance of a certificate of title,

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
4 new vehicle, a manufacturer's statement of origin stating the liens and
5 encumbrances thereon. Such statement of origin shall be delivered to the
6 purchaser 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. The
8 agreement of the parties shall be executed on a form approved by the
9 division. In the event delivery of title cannot be made personally, the seller
10 may deliver the manufacturer's statement of origin by restricted mail to the
11 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
17 registration, except that no application for registration shall be required for
18 a 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
20 addition to the fee for registration of such vehicle, trailer or semitrailer.
21 The certificate of title shall be good for the life of the vehicle, trailer or
22 semitrailer while owned or held by the original holder of the certificate of
23 title.

24 (5) Except for a vehicle registered by a federally recognized Indian
25 tribe, as provided in paragraph (16), upon sale and delivery to the
26 purchaser of every vehicle subject to a purchase money security interest as
27 provided in article 9 of chapter 84 of the Kansas Statutes Annotated, and
28 amendments thereto, the dealer or secured party may complete a notice of
29 security interest and when so completed, the purchaser shall execute the
30 notice, in a form prescribed by the division, describing the vehicle and
31 showing the name and address of the secured party and of the debtor and
32 other information the division requires. On and after July 1, 2007, only one
33 lien shall be taken or accepted for vehicles with a gross vehicle weight
34 rating of 26,000 pounds or less. As used in this section "gross vehicle
35 weight rating" shall have the meaning ascribed thereto in 49 C.F.R. §
36 390.5, as in effect on July 1, 2017, or any later version as established in
37 rules and regulations adopted by the state corporation commission. The
38 dealer or secured party, within 30 days of the sale and delivery, may mail
39 or deliver the notice of security interest, together with a fee of \$2.50, to the
40 division. The notice of security interest shall be retained by the division
41 until it receives an application for a certificate of title to the vehicle and a
42 certificate of title is issued. The certificate of title shall indicate any
43 security interest in the vehicle. Upon issuance of the certificate of title, the

1 division shall mail or deliver confirmation of the receipt of the notice of
2 security interest, the date the certificate of title is issued and the security
3 interest indicated, to the secured party at the address shown on the notice
4 of security interest. The proper completion and timely mailing or delivery
5 of a notice of security interest by a dealer or secured party shall perfect a
6 security interest in the vehicle, as referenced in K.S.A. 2019 Supp. 84-9-
7 311, and amendments thereto, on the date of such mailing or delivery. The
8 county treasurers shall mail a copy of the title application to the lienholder.
9 For any vehicle subject to a lien, the county treasurer, division or
10 contractor shall collect from the applicant a \$1.50 service fee for
11 processing and mailing a copy of the title application to the lienholder.

12 (6) It shall be unlawful for any person to operate in this state a vehicle
13 required to be registered under this act, or to transfer the title to any such
14 vehicle to any person or dealer, unless a certificate of title has been issued
15 as herein provided. In the event of a sale or transfer of ownership of a
16 vehicle for which a certificate of title has been issued, which certificate of
17 title is in the possession of the transferor at the time of delivery of the
18 vehicle, the holder of such certificate of title shall endorse on the same an
19 assignment thereof, with warranty of title in a form prescribed by the
20 division and printed thereon and the transferor shall deliver the same to the
21 buyer at the time of delivery to the buyer of the vehicle or at a time agreed
22 upon by the parties, not to exceed 60 days, inclusive of weekends and
23 holidays, after the time of delivery. The agreement of the parties shall be
24 executed on a form provided by the division. The requirements of this
25 paragraph concerning delivery of an assigned title are satisfied if the
26 transferor mails to the transferee by restricted mail the assigned certificate
27 of title within the 60 days, and if the transferor is a dealer, as defined by
28 K.S.A. 8-2401, and amendments thereto, such transferor shall be deemed
29 to have possession of the certificate of title if the transferor has made
30 application therefor to the division. The buyer shall then present such
31 assigned certificate of title to the division at the time of making application
32 for registration of such vehicle. A new certificate of title shall be issued to
33 the buyer, upon payment of the fee of \$10. If such vehicle is sold to a
34 resident of another state or country, the dealer or person making the sale
35 shall notify the division of the sale and the division shall make notation
36 thereof in the records of the division. When a person acquires a security
37 interest that such person seeks to perfect on a vehicle subsequent to the
38 issuance of the original title on such vehicle, such person shall require the
39 holder of the certificate of title to surrender the same and sign an
40 application for a mortgage title in form prescribed by the division. Upon
41 such surrender such person shall immediately deliver the certificate of
42 title, application, and a fee of \$10 to the division. Delivery of the
43 surrendered title, application and tender of the required fee shall perfect a

1 security interest in the vehicle as referenced in K.S.A. 2019 Supp. 84-9-
2 311, and amendments thereto. On and after July 1, 2007, only one lien
3 may be taken or accepted for security for an obligation to be secured by a
4 lien to be shown on a certificate of title for vehicles with a gross vehicle
5 weight rating, as defined in 49 C.F.R. § 390.5, as in effect on July 1, 2017,
6 or any later version as established in rules and regulations adopted by the
7 state corporation commission, of 26,000 pounds or less. A refinancing
8 shall not be subject to the limitations of this act. A refinancing is deemed
9 to occur when the original obligation is satisfied and replaced by a new
10 obligation. Lien obligations created before July 1, 2007, which are of a
11 continuing nature shall not be subject to the limitations of this act until the
12 obligation is satisfied. A lien in violation of this provision is void. Upon
13 receipt of the surrendered title, application and fee, the division shall issue
14 a new certificate of title showing the liens or encumbrances so created, but
15 only one lien or encumbrance may be shown upon a title for vehicles with
16 a gross vehicle rating of 26,000 pounds or less, and not more than two
17 liens or encumbrances may be shown upon a title for vehicles in excess of
18 26,000 pounds gross vehicle weight rating. When a prior lienholder's name
19 is removed from the title, there must be satisfactory evidence presented to
20 the division that the lien or encumbrance has been paid. When the
21 indebtedness to a lienholder, whose name is shown upon a title, is paid in
22 full, such lienholder shall comply with the provisions of K.S.A. 2019
23 Supp. 8-1,157, and amendments thereto.

24 (7) It shall be unlawful for any person to buy or sell in this state any
25 vehicle required to be registered, unless, at the time of delivery thereof or
26 at a time agreed upon by the parties, not to exceed 60 days, inclusive of
27 weekends and holidays, after the time of delivery, there shall pass between
28 the parties a certificate of title with an assignment thereof. The sale of a
29 vehicle required to be registered under the laws of this state, without
30 assignment of the certificate of title, is fraudulent and void, unless the
31 parties shall agree that the certificate of title with assignment thereof shall
32 pass between them at a time other than the time of delivery, but within 60
33 days thereof. The requirements of this paragraph concerning delivery of an
34 assigned title shall be satisfied if: (A) The seller mails to the purchaser by
35 restricted mail the assigned certificate of title within 60 days; or (B) if the
36 transferor is a dealer, as defined by K.S.A. 8-2401, and amendments
37 thereto, such seller shall be deemed to have possession of the certificate of
38 title if such seller has made application therefor to the division; or (C) if
39 the transferor is a dealer and has assigned a title pursuant to subsection (c)
40 (9).

41 (8) In cases of sales under the order of a court of a vehicle required to
42 be registered under this act, the officer conducting such sale shall issue to
43 the purchaser a certificate naming the purchaser and reciting the facts of

1 the sale, which certificate shall be prima facie evidence of the ownership
2 of such purchaser for the purpose of obtaining a certificate of title to such
3 motor vehicle and for registering the same. Any such purchaser shall be
4 allowed 60 days, inclusive of weekends and holidays, from the date of sale
5 to make application to the division for a certificate of title and for the
6 registering of such motor vehicle.

7 (9) Any dealer who has acquired a vehicle, the title for which was
8 issued under the laws of and in a state other than the state of Kansas, shall
9 not be required to obtain a Kansas certificate of title therefor during the
10 time such vehicle remains in such dealer's possession and at such dealer's
11 place of business for the purpose of sale. The purchaser or transferee shall
12 present the assigned title to the division of vehicles when making
13 application for a certificate of title as provided in subsection (c)(1).

14 (10) Motor vehicles may be held and titled in transfer-on-death form.

15 (11) Notwithstanding the provisions of this act with respect to time
16 requirements for delivery of a certificate of title, or manufacturer's
17 statement of origin, as applicable, any person who chooses to reaffirm the
18 sale in writing on a form approved by the division which advises them of
19 their rights pursuant to subsection (c)(7) and who has received and
20 accepted assignment of the certificate of title or manufacturer's statement
21 of origin for the vehicle in issue may not thereafter void or set aside the
22 transaction with respect to the vehicle for the reason that a certificate of
23 title or manufacturer's statement of origin was not timely delivered, and in
24 such instances the sale of a vehicle shall not be deemed to be fraudulent
25 and void for that reason alone.

26 (12) The owner of any vehicle assigning a certificate of title in
27 accordance with the provisions of this section may file with the division a
28 form indicating that such owner has assigned such certificate of title. Such
29 forms shall be furnished by the division and shall contain such information
30 as the division may require. Any owner filing a form as provided in this
31 paragraph shall pay a fee of \$10. The filing of such form shall be prima
32 facie evidence that such certificate of title was assigned and shall create a
33 rebuttable presumption. If the assignee of a certificate of title fails to make
34 application for registration, an owner assigning such title and filing the
35 form in accordance with the provisions of this paragraph shall not be held
36 liable for damages resulting from the operation of such vehicle.

37 (13) Application for a certificate of title on a boat trailer with a gross
38 weight over 2,000 pounds shall be made by the owner or the owner's agent
39 upon a form to be furnished by the division and shall contain such
40 information as the division shall determine necessary. The division may
41 waive any information requested on the form if it is not available. The
42 application together with a bill of sale for the boat trailer shall be accepted
43 as prima facie evidence that the applicant is the owner of the boat trailer,

1 provided that a Kansas title for such trailer has not previously been issued.
2 If the application and bill of sale are used to obtain a certificate of title for
3 a boat trailer under this paragraph, the certificate of title shall not be issued
4 until an inspection in accordance with K.S.A. 8-116a(a), and amendments
5 thereto, has been completed.

6 (14) In addition to the two forms for reassignment under subsection
7 (c)(2), a dealer may attach one additional reassignment form to a
8 certificate of title. The director of vehicles shall prescribe and furnish such
9 reassignment forms. The reassignment form shall be used by a dealer when
10 selling the vehicle to another dealer or the ultimate owner of the vehicle
11 only when the two reassignment forms under subsection (c)(2) have
12 already been used. The fee for a reassignment form shall be \$6.50. A
13 dealer may purchase reassignment forms in multiples of five upon making
14 proper application and the payment of required fees.

15 (15) A first stage manufacturer, as defined in K.S.A. 8-2401, and
16 amendments thereto, who manufactures a motor vehicle in this state, and
17 who sells such motor vehicles to dealers located in a foreign country, may
18 execute a manufacturer's statement of origin to the division of vehicles for
19 the purpose of obtaining an export certificate of title. The motor vehicle
20 issued an export certificate of title shall not be required to be registered in
21 this state. An export certificate of title shall not be used to register such
22 vehicle in the United States.

23 (16) A security interest in a vehicle registered by a federally
24 recognized Indian tribe shall be deemed valid under Kansas law if validly
25 perfected under the applicable tribal law and the lien is noted on the face
26 of the tribal certificate of title.

27 (17) On and after January 1, 2010, a certificate of title issued for a
28 rebuilt salvage vehicle for the initial time, shall indicate on such title, the
29 reduced classification of such vehicle as provided under K.S.A. 79-5104,
30 and amendments thereto.

31 Sec. 2. K.S.A. 2019 Supp. 8-135 is hereby repealed.

32 Sec. 3. This act shall take effect and be in force from and after
33 January 1, 2021, and its publication in the statute book.