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To Whom it may concern:

The current process for liquidating abandoned vehicles by tow services in Kansas is a solid method that protects all parties concerned with a vehicle's ownership. The process is outlined in KSA 8-1104, and uses 8-1101, 1102, and 1103, as the basis for how tow services end up with vehicles that are eventually abandoned by their owners. The paperwork that KDOR uses to for this process is called a TR-85 "Possessory Lien Affidavit." This form has been updated several times over the years to reflect industry changes and to reflect a couple of revisions of 8-1103.

The process starts with a vehicle being towed to the tow service's storage lot. This starts the calendar of events moving. In the first 30 days from the day the vehicle gets to the tow lot, the tow service must make every reasonable attempt to determine who the last, most recent owner (and lienholder if exists) is of the vehicle. We are required to first check Kansas registration records. This is accomplished through the Kansas.gov records portal. If there is not Kansas registration found there, we mail a written request for registration check to KDOR, and commence a multi-state registration check. Occasionally the KDOR motor vehicle division finds a Kansas registration record that the Kansas.Gov portal did not show. For the multi-state registration check we at Sunflower Tow we use a commercial service ADD123.com. This is a service that checks all 50 state registration records for activity. For 43 of the states, and Washington DC, we are able to get ownership and lienholder information directly. The other 7 states we are able to mail information request forms to their respective Motor Vehicle Departments. (This is for ADD123, which is the most popular solution.) This is the most important step to protecting owner/lienholder of the vehicle, whether they still want the vehicle or not.

Now we've information on who owns the vehicle, and lienholder (if there is one). This sets up the second important date in the process. We have 10 days from when we discover ownership and lienholder information to mail certified letters to who the records indicate to notify them that we have their vehicle in our possession, that there is a tow bill owed against it and that it is accruing storage. They are also notified that if the tow bill and storage are not paid with 15 days of when we mail this certified letter, that the vehicle can be sold at public auction. This step insures that the owner and lienholder have a chance to contact the towing service, determine if they want to retrieve their vehicle and make such arrangements to get it if they decide to. Again this is protecting the owner and the lienholders and also makes sure that insurance companies don't drag their feet on settling claims for wrecked vehicles that sit at tow lots for duration of time. After the 15 days have passed from the certified mailings, the vehicle is clear to auction off.

At this point in the timeline, which can be as long as 40 days from when the vehicle was originally towed, an auction date is determined, and a list of vehicles that have made it this far in the process is determined. At least one week (7 days) prior to the auction date, we must have a newspaper that circulates in the county that the tow service resides in publish a notice that we intend to auction our list of vehicles at public auction. We have to include the Year Make Model and full VIN number in this published list. This step is a last chance to make sure that any one with interest in the vehicle is given a chance to contact us and settle the tow and storage bill.

At public auction the vehicles are sold to the highest bidder. Once that bidder pays for the vehicle and any auction and paperwork fees, they are given a packet of paperwork accompanying the KDOR form TR85. This will include the original tow bill, the motor vehicle department registration record checks, copies of the certified mailing receipts, a notarized copy of the newspaper ad and a copy of the bill of sale receipt from the auction showing the purchase price. Depending on the year of the vehicle a KDOR form TR59 Odometer disclosure may also be included. A form KDOR TR13 Salvage, Non-Highway or Non-Repairable Vehicle Affidavit may also be included if the registration checks indicated that the vehicle had a prior salvage title or if the tow service through good faith determines that the vehicle is of a salvage nature. All of this paperwork amounts to the due diligence process that the tow service does to ensure that the owner and lienholder is given every chance to retrieve their vehicle from them.

The road for the winning bidder to obtain a title for the vehicle they have just bought now splits depending on where they live.

If they live outside of Kansas, they can go to their state motor vehicle department and attempt to apply for title with the paperwork they received. This often requires an inspection by that state's highway patrol or state police to ensure that the vehicle and the vehicle described in the paperwork are one and the same. For instance, Missouri has a very similar process to Kansas; we have had several customers tell us that they take the vehicle to the Missouri Highway Patrol and have them perform a VIN inspection on the vehicle with the paperwork they obtain from us, and the trooper will issue them a form that allows them to go to their DMV and register the vehicle and get a title from their department of motor vehicles.

If the customer lives IN Kansas, the process is very straightforward. If the most recent registration record indicated a Kansas owner, the customer must simply go to their local DMV, pay sales and property taxes on the vehicle, and registration and plate fees just as if they were licensing a car for the first time on an MCO. They will then be given plates and decals like normal. If the most recent registration did NOT indicate a Kansas owner OR a form TR13 was included with the paperwork, the customer will first take the vehicle to a KHP Motor Vehicle Inspection station for an MVE-1 inspection. This inspection verifies that the paperwork matches the vehicle correctly, VIN, year make and model. Once they have obtained an MVE-1, the customer then proceeds as before to their local DMV, pay sales and property taxes on the vehicle, and registration and plate fees just as if they were licensing any other car. At the DMV, the county clerks will follow their process of verifying the paperwork dates are correct and that the calendar of events was followed correctly and in line with 8-1104. Customers have 60 days from the time they purchase the vehicle to make it to the DMV before the TR85 and associated paperwork becomes invalid. Folks usually receive their titles within 4-6 weeks from licensing. This makes the whole process a maximum of 10-16 weeks depending on a couple of variables from time the vehicle is towed to when the final customer receives a title in their name.

Like most automotive centered businesses, physical storage space is a big governing variable to how a business is run. The size of our lots determine how many vehicles we can safely store, and how quickly we need to liquidate them. The time line that 8-1104 spells out is maximum get things done by times, and minimum wait for a response times. The reality of most tow lots due to space constraints is that we're getting the registration info, and mailing certified letters within 15 days of towing the vehicles, and having them ready to auction within 30 days of towing them. This is pretty much the shortest practical time to accomplish the process. And it provides a bit of consumer protection at the same time, it limits how high the storage bill gets for the owner/lienholder/insurance company responsible for loss. But it frees up space faster, which is often at a premium. Finding space for a tow lot that is zoned correctly, and that a municipality/county will license to be used as a tow lot is difficult at best.

This is first reason that forcing a tow lot to get title back in their name before liquidating a vehicle will be a serious challenge: They'll run out of storage space if they have to go through the entire due diligence process, and THEN wait on a transferable title before they can sell the vehicle. This becomes a hinderance because they may have to refuse calls from the various police departments, KHP or property owners that they tow illegally parked cars for. Overcrowding in tow lots is a physical fire hazard, and with the advent of hybrid vehicles, and electric vehicles, fire hazards are on everyone's minds. It doesn't help us promote our businesses if we have to tell customers "We can't tow your car to our storage lot because its full because we're waiting on the state to issue titles so we can sell the vehicles we've had for X weeks."

The next big challenge for selling vehicles on transferable titles that I see is having to obtain a dealer's license as there is a limit to how many vehicles can be bought and sold by an individual or company a year. Some tow lots may not qualify for a dealer's license. For example, in Wyandotte County we have to obtain a special use permit to operate a dealership. This in some cases could be a large burden to the business in the form of landscaping, building requirements, and parking requirements. The special use permit process can take as long as 4-6 months to complete here in Wyandotte county, and that whole time we would have to wait to sell vehicles, again overburdening our lot space.

A dealership in Kansas is also required to sell vehicles with some sort of warranty on them to consumers. This would also be an un-due burden to the tow service. Most of these vehicles were abandoned for some reason or another, usually wrecked or mechanical failure of some sort, not something anyone sensible would put a warranty on. The public tow lot auctions are as-is, where-is sales. Dealerships also have to carry insurance coverages that are beyond what we already carry as tow services, and insurance is not cheap. Most of the buyers of these vehicles are wholesalers, salvage yards, and backyard mechanics that have experience repairing vehicles.

The process we use now works, and works well. Especially in the last few years with the advent of better record check methods, better methodology in how the paperwork is handled by the tow services, better communication with KDOR, and use of internet technologies, customers are well protected. The original owners of the towed vehicles (and lienholders/insurance companies responsible for losses) are being notified faster. They are given an ample amount of time to respond. The purchasing customer is given an extensive paper trail. KDOR is able to trace the history of the vehicle back to the day when we pick it up in a very linear manner via the paperwork. The licensing counties get to collect sales and property taxes, and registration fees. The process in Kansas is similar to that of several other neighboring states, and is generally recognized as a safe way to ensure that the consumer is protected on all sides of the equation.

Thank you for the opportunity to talk about this. I am happy to answer any questions you might have.

Sincerely –

Luke Olenick
Sunflower Tow Service