

SESSION OF 2009

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2258

As Amended by Senate Committee on
Transportation

Brief*

HB 2258 would require surrender of a nonrepairable vehicle certificate or title to the Division of Vehicles if a vehicle is crushed. Current law requires surrender of a nonrepairable vehicle certificate or title only when a vehicle has been dismantled, disassembled or recycled and sold to a scrap processor for recycling.

The bill also would license and regulate vehicle crushers, vehicle recyclers, scrap metal recyclers, rebuilders, and salvage vehicle pools under the Vehicle Dealers and Manufacturers Licensing Act, with these changes to the Act:

- Add definitions for “vehicle crusher,” “vehicle recycler,” “scrap metal recycler,” “nonrepairable vehicle,” and “rebuilder.”
- Add a \$75 license fee for any vehicle crusher, vehicle recycler, scrap metal recycler, salvage vehicle pool, or rebuilder.
- Add vehicle crushers, vehicle recyclers, scrap metal recyclers, salvage vehicle pools, and rebuilders to the list of types of businesses required to maintain established places of business that have been inspected and approved by the Division of Vehicles.
- Require vehicle recyclers (in addition to salvage vehicle dealers, as in current law) to file, on or before the 20th day of each month, a monthly report listing all vehicles that have been disposed or sold.
- Require any of the licensed types of businesses to make their records available to any employee of the Division of

*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>

- Vehicles or any member of law enforcement for the purpose of investigation or inspection.
- Include vehicle crushers, vehicle recyclers, rebuilders, scrap metal recyclers, and salvage vehicle pools among the types of business that could face misdemeanor charges and a fine not to exceed \$2,500 for doing business without a license.
 - Require a salvage vehicle pool to be licensed. (Current law requires only a one-time registration.)

Background

The bill was proposed by Representative Ann Mah, who testified as a proponent of the bill. Also testifying in favor of the bill before both the House and Senate Transportation Committees were Michael George, Shawnee County Sheriff's Office; Vince Melvin, M&M Auto Parts Inc.; Steve Kearney on behalf of the Kansas Automotive Recyclers Association; and Michael McLinn, Chief of Titles and Registrations, Kansas Department of Revenue. Chief Ronald Miller, Topeka Police Department, submitted written testimony in favor of the bill. The Senate Committee also heard testimony in favor of the bill from Don McNeely, Kansas Automobile Dealers Association. Proponents said that the bill would allow tracking of a vehicle "cradle to grave" and reduce fraud (selling an unsafe vehicle without adequate disclosure) and auto theft (vehicle recycling and crushing destroys evidence, and the unsurrendered title could be used on a stolen vehicle). There was no other testimony on the bill.

The House Committee on Transportation amended the bill to make the new requirements apply consistently to all of these types of businesses; to allow any member of law enforcement rather than only members of the Highway Patrol to have access to business records; and to make technical corrections.

The House Committee of the Whole amended the bill to correct "quarterly report" to "monthly report" in KSA 8-2408(b).

The Senate Committee on Transportation amended the definition of “scrap metal recycler” in the bill to make it specific to nonrepairable vehicles, in whole or in part, to eliminate a potential overlap with a similar definition in SB 237. The amendment was brought to the Committee by a representative of the Kansas Peace Officers Association.

According to the fiscal note prepared by the Division of the Budget on the original bill, the Department of Revenue estimated the bill would increase revenue to the Vehicle Dealers and Manufacturers Fee Fund by \$21,000 in Fiscal Year 2010, based on estimates of 280 new licenses at \$75 each. The Department also estimated \$3,600 for programming required to modify the dealer license computer program.