

SENATE BILL No. 97

By Committee on Transportation

1-29

AN ACT concerning motor vehicles; relating to nonhighway vehicles; granting purchasers of nonhighway vehicles the option to obtain a nonhighway certificate of title; amending K.S.A. 8-198 and K.S.A. 2024 Supp. 8-2408 and repealing the existing sections.

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

Section 1. K.S.A. 8-198 is hereby amended to read as follows: 8-198.

(a) A nonhighway or salvage vehicle shall not be required to be registered in this state, as provided in K.S.A. 8-135, and amendments thereto, but nothing in this section shall be construed as abrogating, limiting or otherwise affecting the provisions of K.S.A. 8-142, and amendments thereto, which make it unlawful for any person to operate or knowingly permit the operation in this state of a vehicle required to be registered in this state.

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

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

(2) Except as provided in K.S.A. 8-199(b), and amendments thereto, if a certificate of title has been issued for any such vehicle under the provisions of K.S.A. 8-135, and amendments thereto, the owner of such nonhighway vehicle or salvage vehicle may surrender such certificate of title to the division of vehicles and make application to the division for a nonhighway certificate of title or salvage title, whichever is applicable, or

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

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

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

43 (d) (1) Except as otherwise provided by this section, the owner of a

1 vehicle that meets the definition of a salvage vehicle shall apply for a
2 salvage title before the ownership of the motor vehicle or travel trailer is
3 transferred. In no event shall such application be made more than 60 days
4 after the vehicle is determined to be a salvage vehicle.

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

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

32 (4) The lessee of any vehicle that incurs damage requiring the vehicle
33 to be designated a salvage vehicle shall notify the lessor of this fact within
34 30 days of the determination that the vehicle is a salvage vehicle.

35 (5) The lessor of any motor vehicle or travel trailer that has incurred
36 damage requiring the vehicle to be titled as a salvage vehicle, shall apply
37 for a salvage title within 60 days after being notified of this fact by the
38 lessee.

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

(7) Every purchaser of a salvage vehicle, whether assigned a salvage title or a regular certificate of title with the form specified in subsection (b) (2) attached, shall make application to the county treasurer of the county where such person resides for a new salvage title, in the same manner and under the same condition as for an application for a certificate of title under K.S.A. 8-135, and amendments thereto. Such application shall be in the form prescribed by the director of vehicles and shall contain substantially the same provisions as required for an application under K.S.A. 8-135(c)(1), and amendments thereto. In addition, such application shall provide a place for the applicant to certify that the vehicle for which the application for salvage title is made is a salvage vehicle, and other provisions the director deems necessary. Each application for a salvage title shall be accompanied by a fee of \$10 and if the application is not made to the county treasurer within the time prescribed by K.S.A. 8-135, and amendments thereto, for making application for a certificate of title thereunder, an additional fee of \$2.

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

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

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

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

(3) (A) Upon transfer or sale of a salvage vehicle that has been rebuilt or restored or is otherwise in a condition that will allow the registration of

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

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

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

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

40 (h) A nonhighway vehicle or salvage vehicle for which a nonhighway
41 certificate of title or salvage title has been issued pursuant to this section
42 shall not be deemed a motor vehicle for the purposes of K.S.A. 40-3101
43 through 40-3121, and amendments thereto, except when such vehicle is

1 being operated pursuant to subsection (g). Any person who knowingly
2 makes a false statement concerning financial security in obtaining a permit
3 pursuant to subsection (g), or who fails to obtain a permit when required
4 by law to do so is guilty of a class C misdemeanor.

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

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

15 ~~(k)~~ (1) A salvage vehicle pool, or a salvage vehicle dealer, as both are
16 defined and licensed to operate in this state pursuant to K.S.A. 8-2401 et
17 seq., and amendments thereto, may apply for an ownership document with
18 the division of vehicles without forwarding the certificate of title to the
19 division for a vehicle that is the subject of an insurance claim when:

20 (A) At the request of an insurance company, the salvage vehicle pool
21 or salvage vehicle dealer obtains possession of the vehicle;

22 (B) the insurance claim for the vehicle has been closed without
23 payment or denied by the insurance company; and

24 (C) the vehicle has remained unclaimed at the salvage vehicle pool's
25 or salvage vehicle dealer's facility for more than 30 days.

26 (2) An application made pursuant to this subsection shall provide
27 sufficient evidence that at least two written notices were delivered by
28 certified mail to the address provided by the division of vehicles'
29 ownership verification, or through another courier service that provides
30 proof of delivery, to the owner of the vehicle and any lienholder of the
31 vehicle identified in the division of vehicles' records requesting that the
32 vehicle be removed from the salvage vehicle pool's or salvage vehicle
33 dealer's facility. A salvage vehicle dealer shall also provide sufficient
34 evidence to the division of the request by the insurance company to obtain
35 possession of the vehicle. Such written notice shall specify that the owner
36 of the vehicle and any lienholder of the vehicle identified in the division of
37 vehicles' records has at least 30 days from the receipt of the notice to
38 remove the vehicle. If the salvage vehicle pool or salvage vehicle dealer
39 does not receive proof of delivery for the notices, the salvage vehicle pool
40 or salvage vehicle dealer shall cause notice of the application for an
41 ownership document to be published in a newspaper of general circulation
42 in the county where the vehicle is located.

43 (3) If the most recent ownership document for the vehicle was not

1 issued by this state, the application shall also include evidence of an
2 inspection of the vehicle completed pursuant to K.S.A. 8-116a, and
3 amendments thereto. The application shall also indicate whether a salvage
4 title or a nonrepairable vehicle certificate shall be issued for the vehicle.

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

9 Sec. 2. K.S.A. 2024 Supp. 8-2408 is hereby amended to read as
10 follows: 8-2408. Except as hereinafter provided, every person licensed as a
11 dealer under provisions of this act shall:

12 (a) On or before the 25th day of each month, file a monthly report, on
13 a form prescribed and furnished by the division of vehicles, listing all sales
14 or transfers, except sales or transfers by a first or second stage
15 manufacturer to a vehicle dealer of new or used vehicles, including the
16 name and address of the purchaser or transferee, date of sale, the serial or
17 identification number of the vehicle, and such other information as the
18 division may require.

19 (b) Salvage vehicle dealers, vehicle crusher, vehicle recycler,
20 rebuilder, scrap metal recycler and salvage vehicle pool shall, in addition
21 to their monthly sales report for used vehicles, if applicable, on or before
22 the 25th day of each month file a monthly report on a form prescribed and
23 furnished by the division, listing all vehicles for which the major
24 component part containing the vehicle identification number or engine
25 number if manufactured prior to 1981, has been disposed of or sold. The
26 certificate of title or transfer certificate for all vehicles listed must
27 accompany the monthly report.

28 (c) Make available during regular business hours to any employee of
29 the division or any member of law enforcement for the purpose of
30 investigation or inspection;:

31 (1) All records concerning vehicles purchased, sold or exchanged
32 during the preceding 12 months, ~~including~~; and

33 (2) certificates of title on all vehicles owned by the dealership, except
34 those titles:

35 (A) Surrendered pursuant to subsection (b); or

36 (B) *for nonhighway vehicles, unless the dealership elects to obtain*
37 *the title for such vehicles.*

38 (d) Whenever a dealer sells or otherwise disposes of such dealer's
39 business, or for any reason suspends or goes out of business as a dealer,
40 such dealer shall notify the division and return the dealer's license and
41 dealer plates, and the division upon receipt of such notice and plates shall
42 cancel the dealer's license, except that such dealer may, upon payment of
43 50% of the annual fee to the division, have the license and dealer plates

1 assigned to the purchaser of the business.

2 (e) In addition to the requirements of subsection (a), any dealer
3 paying a commission or fee to a broker shall report to the division, on the
4 monthly sales report, the name of the broker and the broker's license
5 number.

6 (f) Dealers, licensed as brokers must in addition to the requirements
7 of subsection (a) include on the monthly sales reports, the name of the
8 seller, the transferor or dealer that owns the vehicle and whether the seller
9 or the purchaser paid the broker's fee or commission.

10 (g) Lending agencies licensed under this act, which sell two or less
11 repossessed vehicles a month, shall not be required to file the monthly
12 reports under subsection (a), except that such lending agencies shall report
13 annually, on a form prescribed and furnished by the division, the total
14 number of sales or transfers of such vehicles.

15 Sec. 3. K.S.A. 8-198 and K.S.A. 2024 Supp. 8-2408 are hereby
16 repealed.

17 Sec. 4. This act shall take effect and be in force from and after its
18 publication in the statute book.