

SENATE BILL No. 97

By Committee on Transportation

1-29

AN ACT concerning motor vehicles; relating to *certain* nonhighway vehicles; ~~granting purchasers of nonhighway vehicles the option to obtain a nonhighway certificate of title~~ **requiring vehicle dealers to obtain a dealer inventory-only title for any used all-terrain vehicle, work-site utility vehicle, recreational off-highway vehicle or motorcycle that such dealer obtains**; amending K.S.A. 8-198 and ~~K.S.A. 2024 Supp. 8-2408~~ and repealing the existing sections *section*.

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 shall** obtain a nonhighway certificate of title ~~or and shall obtain~~ **or a** salvage title, whichever is applicable, **or a dealer inventory-only title** in the following manner:

(1) If the vehicle dealer, as defined in K.S.A. 8-2401, and amendments thereto, obtains ownership of a used vehicle that is an all-terrain vehicle, work-site utility vehicle, recreational off-highway vehicle or motorcycle and such vehicle would qualify as a nonhighway vehicle pursuant to K.S.A. 8-197, and amendments thereto, the vehicle dealer shall make application to the county treasurer of such county for a dealer inventory-only title. Each application for a dealer inventory-only title shall be accompanied by a fee of \$10 and either a bill of sale or certificate of title with the application for the vehicle. All moneys received under this paragraph shall be remitted as a certificate of title in accordance with K.S.A. 8-145(b), and amendments thereto.

~~(+)(2)~~ 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 shall** make

1 application for and assign a nonhighway certificate of title or a salvage
2 title, whichever is applicable, to the purchaser of such nonhighway vehicle
3 ~~or and shall make application for and assign~~ or salvage vehicle in the
4 same manner and under the same conditions prescribed by K.S.A. 8-135,
5 and amendments thereto, for the application for and assignment of a
6 certificate of title thereunder. Upon the assignment thereof, the purchaser
7 ~~shall may~~ **shall** make application for a new nonhighway certificate of title
8 ~~or and shall make application for~~ or a salvage title, as provided in
9 subsection (c) or (d).

10 ~~(2)~~**(3)** Except as provided in K.S.A. 8-199(b), and amendments
11 thereto, if a certificate of title has been issued for any such vehicle under
12 the provisions of K.S.A. 8-135, and amendments thereto, the owner of
13 such nonhighway vehicle or salvage vehicle may surrender such certificate
14 of title to the division of vehicles and make application to the division for
15 a nonhighway certificate of title or salvage title, whichever is applicable,
16 or the owner may obtain from the county treasurer's office a form
17 prescribed by the division of vehicles and, upon proper execution thereof,
18 may assign the nonhighway certificate of title, salvage title or the regular
19 certificate of title with such form attached to the purchaser of the
20 nonhighway vehicle or salvage vehicle. Upon receipt of the nonhighway
21 certificate of title, salvage title or the regular certificate of title with such
22 form attached, the purchaser ~~shall may~~ **shall** make application for a new
23 nonhighway certificate of title ~~or and shall make application for~~ or a
24 salvage title, whichever is applicable, as provided in subsection (c) or (d).

25 ~~(3)~~**(4)** If the transferor is not a vehicle dealer, as defined in K.S.A. 8-
26 2401, and amendments thereto, and a certificate of title has not been issued
27 for the vehicle under this section or a certificate of title was not required
28 under K.S.A. 8-135, and amendments thereto, the transferor ~~shall may~~
29 **shall** make application to the division for a nonhighway certificate of title
30 ~~or and shall make application to the division for~~ or a salvage title,
31 whichever is applicable, as provided in this section, except that in addition
32 thereto, the division shall require a bill of sale or such transferor's
33 affidavit, with at least one other corroborating affidavit, that such
34 transferor is the owner of such nonhighway vehicle or salvage vehicle. If
35 the division is satisfied that the transferor is the owner, the division shall
36 issue a nonhighway certificate of title or salvage title, whichever is
37 applicable, for such vehicle, and the transferor shall assign the same to the
38 purchaser, who ~~shall may~~ **shall** make application for a new nonhighway
39 certificate of title ~~or and shall make application for~~ or a salvage title,
40 whichever is applicable, as provided in subsection (c) or (d).

41 (c) Every purchaser of a nonhighway vehicle, whether assigned a
42 nonhighway certificate of title or a regular certificate of title with the form
43 specified in subsection ~~(b)~~**(2)** ~~(b)~~**(3)** attached, ~~shall may~~ **shall** make

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

15 (d) (1) Except as otherwise provided by this section, the owner of a
16 vehicle that meets the definition of a salvage vehicle shall apply for a
17 salvage title before the ownership of the motor vehicle or travel trailer is
18 transferred. In no event shall such application be made more than 60 days
19 after the vehicle is determined to be a salvage vehicle.

20 (2) Every insurance company that, pursuant to a damage settlement,
21 acquires ownership of a vehicle that has incurred damage requiring the
22 vehicle to be designated a salvage vehicle, shall apply for a salvage title
23 within 60 days after the title is assigned and delivered by the owner to the
24 insurance company, with all liens released. In the event that an insurance
25 company is unable to obtain voluntary assignment of the title after 30 days
26 from the date the vehicle owner enters into an oral or written damage
27 settlement agreement where the owner agrees to transfer the title, the
28 insurance company may submit an application on a form prescribed by the
29 division for a salvage title. The form shall be accompanied by an affidavit
30 from the insurance company stating that: (A) The insurance company is
31 unable to obtain a transfer of the title from the owner following an oral or
32 written acceptance of an offer of damage settlement; (B) there is evidence
33 of the damage settlement; (C) that there are no existing liens on the vehicle
34 or all liens on the vehicle have been released; (D) the insurance company
35 has physical possession of the vehicle; and (E) the insurance company has
36 provided the owner, at the owner's last known address, 30 days' prior
37 notice of such intent to transfer and the owner has not delivered a written
38 objection to the insurance company.

39 (3) Every insurance company that makes a damage settlement for a
40 vehicle that has incurred damage requiring such vehicle to be designated a
41 salvage vehicle, but does not acquire ownership of the vehicle, shall notify
42 the vehicle owner of the owner's obligation to apply for a salvage title for
43 the motor vehicle or travel trailer, and shall notify the division of this fact

1 in accordance with procedures established by the division. The vehicle
2 owner shall apply for a salvage title within 60 days after being notified by
3 the insurance company.

4 (4) The lessee of any vehicle that incurs damage requiring the vehicle
5 to be designated a salvage vehicle shall notify the lessor of this fact within
6 30 days of the determination that the vehicle is a salvage vehicle.

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

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

16 (7) Every purchaser of a salvage vehicle, whether assigned a salvage
17 title or a regular certificate of title with the form specified in subsection ~~(b)~~
18 ~~(2)~~ **(b)(3)** attached, shall make application to the county treasurer of the
19 county where such person resides for a new salvage title, in the same
20 manner and under the same condition as for an application for a certificate
21 of title under K.S.A. 8-135, and amendments thereto. Such application
22 shall be in the form prescribed by the director of vehicles and shall contain
23 substantially the same provisions as required for an application under
24 K.S.A. 8-135(c)(1), and amendments thereto. In addition, such application
25 shall provide a place for the applicant to certify that the vehicle for which
26 the application for salvage title is made is a salvage vehicle, and other
27 provisions the director deems necessary. Each application for a salvage
28 title shall be accompanied by a fee of \$10 and if the application is not
29 made to the county treasurer within the time prescribed by K.S.A. 8-135,
30 and amendments thereto, for making application for a certificate of title
31 thereunder, an additional fee of \$2.

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

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

42 (f) (1) A nonhighway certificate of title or salvage title may be
43 transferred in the same manner and under the same conditions as

1 prescribed by K.S.A. 8-135, and amendments thereto, for the transfer of a
2 certificate of title, except as otherwise provided in this section. A
3 nonhighway certificate of title or salvage title may be assigned and
4 transferred only while the vehicle remains a nonhighway vehicle or
5 salvage vehicle.

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

14 (3) (A) Upon transfer or sale of a salvage vehicle that has been rebuilt
15 or restored or is otherwise in a condition that will allow the registration of
16 such vehicle, the owner shall assign the salvage title to the purchaser, and
17 the purchaser shall obtain a rebuilt salvage title and register such vehicle
18 as provided in K.S.A. 8-135, and amendments thereto. No rebuilt salvage
19 title shall be issued for a vehicle for which there has been issued a salvage
20 title until there has been compliance with K.S.A. 8-116a, and amendments
21 thereto, and the notice required in subsection (f)(3)(B) has been attached to
22 such vehicle.

23 (B) As part of the inspection for a rebuilt salvage title conducted
24 under K.S.A. 8-116a, and amendments thereto, the Kansas highway patrol
25 shall attach a notice affixed to the left door frame of the rebuilt salvage
26 vehicle indicating the vehicle identification number of such vehicle and
27 that such vehicle is a rebuilt salvage vehicle. In addition to any fee allowed
28 under K.S.A. 8-116a, and amendments thereto, a fee of \$5 shall be
29 collected from the owner of such vehicle requesting the inspection for the
30 notice required under this paragraph. All moneys received under this
31 paragraph shall be remitted in accordance with K.S.A. 8-116a(e), and
32 amendments thereto.

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

35 (g) The owner of a salvage vehicle that has been issued a salvage title
36 and has been assembled, reconstructed, reconstituted or restored or
37 otherwise placed in an operable condition may make application to the
38 county treasurer for a permit to operate such vehicle on the highways of
39 this state over the most direct route from the place such salvage vehicle is
40 located to a specified location named on the permit and to return to the
41 original location. No such permit shall be issued for any vehicle unless the
42 owner has motor vehicle liability insurance coverage or an approved self-
43 insurance plan under K.S.A. 40-3104, and amendments thereto. Such

1 permit shall be on a form furnished by the director of vehicles and shall
2 state the date the vehicle is to be taken to the other location, the name of
3 the insurer, as defined in K.S.A. 40-3103, and amendments thereto, and the
4 policy number or a statement that the vehicle is included in a self-
5 insurance plan approved by the commissioner of insurance, a statement
6 attesting to the correctness of the information concerning financial
7 security, the vehicle identification number and a description of the vehicle.
8 Such permit shall be signed by the owner of the vehicle. The permit shall
9 be carried in the vehicle for which it is issued and shall be displayed so
10 that it is visible from the rear of the vehicle. The fee for such permit shall
11 be \$1 and shall be retained by the county treasurer.

12 (h) A nonhighway vehicle or salvage vehicle for which a nonhighway
13 certificate of title or salvage title has been issued pursuant to this section
14 shall not be deemed a motor vehicle for the purposes of K.S.A. 40-3101
15 through 40-3121, and amendments thereto, except when such vehicle is
16 being operated pursuant to subsection (g). Any person who knowingly
17 makes a false statement concerning financial security in obtaining a permit
18 pursuant to subsection (g), or who fails to obtain a permit when required
19 by law to do so is guilty of a class C misdemeanor.

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

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

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

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

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

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

41 (2) An application made pursuant to this subsection shall provide
42 sufficient evidence that at least two written notices were delivered by
43 certified mail to the address provided by the division of vehicles'

1 ownership verification, or through another courier service that provides
2 proof of delivery, to the owner of the vehicle and any lienholder of the
3 vehicle identified in the division of vehicles' records requesting that the
4 vehicle be removed from the salvage vehicle pool's or salvage vehicle
5 dealer's facility. A salvage vehicle dealer shall also provide sufficient
6 evidence to the division of the request by the insurance company to obtain
7 possession of the vehicle. Such written notice shall specify that the owner
8 of the vehicle and any lienholder of the vehicle identified in the division of
9 vehicles' records has at least 30 days from the receipt of the notice to
10 remove the vehicle. If the salvage vehicle pool or salvage vehicle dealer
11 does not receive proof of delivery for the notices, the salvage vehicle pool
12 or salvage vehicle dealer shall cause notice of the application for an
13 ownership document to be published in a newspaper of general circulation
14 in the county where the vehicle is located.

15 (3) If the most recent ownership document for the vehicle was not
16 issued by this state, the application shall also include evidence of an
17 inspection of the vehicle completed pursuant to K.S.A. 8-116a, and
18 amendments thereto. The application shall also indicate whether a salvage
19 title or a nonrepairable vehicle certificate shall be issued for the vehicle.

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

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

27 ~~(a) On or before the 25th day of each month, file a monthly report, on~~
28 ~~a form prescribed and furnished by the division of vehicles, listing all sales~~
29 ~~or transfers, except sales or transfers by a first or second stage~~
30 ~~manufacturer to a vehicle dealer of new or used vehicles, including the~~
31 ~~name and address of the purchaser or transferee, date of sale, the serial or~~
32 ~~identification number of the vehicle, and such other information as the~~
33 ~~division may require.~~

34 ~~(b) Salvage vehicle dealers, vehicle crusher, vehicle recycler,~~
35 ~~rebuilder, scrap metal recycler and salvage vehicle pool shall, in addition~~
36 ~~to their monthly sales report for used vehicles, if applicable, on or before~~
37 ~~the 25th day of each month file a monthly report on a form prescribed and~~
38 ~~furnished by the division, listing all vehicles for which the major~~
39 ~~component part containing the vehicle identification number or engine~~
40 ~~number if manufactured prior to 1981, has been disposed of or sold. The~~
41 ~~certificate of title or transfer certificate for all vehicles listed must~~
42 ~~accompany the monthly report.~~

43 ~~(c) Make available during regular business hours to any employee of~~

1 the division or any member of law enforcement for the purpose of
2 investigation or inspection;—

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

5 (2) ~~certificates of title on all vehicles owned by the dealership, except~~
6 ~~those titles:—~~

7 (A) ~~Surrendered pursuant to subsection (b); or~~

8 (B) ~~for nonhighway vehicles, unless the dealership elects to obtain~~
9 ~~the title for such vehicles.~~

10 (d) ~~Whenever a dealer sells or otherwise disposes of such dealer's~~
11 ~~business, or for any reason suspends or goes out of business as a dealer,~~
12 ~~such dealer shall notify the division and return the dealer's license and~~
13 ~~dealer plates, and the division upon receipt of such notice and plates shall~~
14 ~~cancel the dealer's license, except that such dealer may, upon payment of~~
15 ~~50% of the annual fee to the division, have the license and dealer plates~~
16 ~~assigned to the purchaser of the business.~~

17 (e) ~~In addition to the requirements of subsection (a), any dealer~~
18 ~~paying a commission or fee to a broker shall report to the division, on the~~
19 ~~monthly sales report, the name of the broker and the broker's license~~
20 ~~number.~~

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

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

30 See. 3. **Sec. 2.** K.S.A. 8-198 and K.S.A. 2024 Supp. 8-2408 are *is*
31 hereby repealed.

32 See. 4. **Sec. 3.** This act shall take effect and be in force from and after
33 its publication in the statute book.