

SENATE BILL No. 36

By Committee on Transportation

1-15

Proposed Amendment to SB 36
For House Committee on Transportation
March 18, 2021
Prepared by: Office of Revisor of Statutes

1 AN ACT concerning motor vehicles; relating to salvage vehicles; ~~allowing~~
2 ~~employees of salvage vehicle pools to perform vehicle identification~~
3 ~~number inspections~~; allowing salvage vehicle pools and salvage vehicle
4 dealers to apply to the division of vehicles for ownership documents;
5 providing application and notice requirements therefor; amending
6 K.S.A. 2020 Supp. 8-116a and 8-198 and repealing the existing
7 sections.
8

requiring the Kansas highway patrol to make
multiple vehicle checks within a set time
period upon application by a salvage vehicle
pool

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

10 Section 1. K.S.A. 2020 Supp. 8-116a is hereby amended to read as
11 follows: 8-116a. (a) Except as provided in K.S.A. 8-170, and amendments
12 thereto, when an application is made for a vehicle ~~which~~ *that* has been
13 assembled, reconstructed, reconstituted or restored from one or more
14 vehicles, or the proper identification number of a vehicle is in doubt, the
15 procedure in this section shall be followed. The owner of the vehicle shall
16 request the Kansas highway patrol to check the vehicle and the highway
17 patrol shall within a reasonable period of time perform such vehicle check.
18 At the time of such check the owner shall supply the highway patrol with
19 information concerning the history of the various parts of the vehicle. Such
20 information shall be supplied by affidavit of the owner, if so requested by
21 the highway patrol. If the highway patrol is satisfied that the vehicle
22 contains no stolen parts and complies with K.S.A. 8-116, and amendments
23 thereto, the highway patrol shall determine the make, model and year of
24 the vehicle, and shall assign an existing or new identification number to
25 the vehicle and direct the places and manner in which the identification
26 number is to be located and affixed or implanted. ~~A charge of \$15 per hour~~
27 ~~or part thereof, with a minimum charge of \$15, and on and after July 1,~~
28 ~~2012, a charge of \$20 per hour or part thereof, with a minimum charge of~~
29 \$20, shall be made to the owner of a vehicle requesting check under this
30 subsection, and such charge shall be paid prior to the check under this
31 section. When a check has been made under subsection (b), not more than
32 60 days prior to a check of the same vehicle identification number,
33 requested by the owner of the vehicle to obtain a regular certificate of title
34 in lieu of a nonhighway certificate of title or obtain a rebuilt salvage title
35 in lieu of a salvage title, no charge shall be made for such second check.

36 (b) Any person making application for any original Kansas title for a

1 used vehicle ~~which~~ *that*, at the time of making application, is titled in
 2 another jurisdiction, as a condition precedent to obtaining any Kansas title,
 3 shall have such vehicle checked by the Kansas highway patrol for
 4 verification that the vehicle identification number shown on the foreign
 5 title is genuine and agrees with the identification number on the vehicle.
 6 Checks under this section may include inspection for possible violation of
 7 K.S.A. 2020 Supp. 21-5835, and amendments thereto, or other evidence of
 8 possible fraud. The verification shall be made upon forms prescribed by
 9 the division of vehicles which shall contain such information as the
 10 secretary of revenue shall require by rules and regulations. ~~A charge of \$15~~
 11 ~~per hour or part thereof, with a minimum charge of \$15, and on and after~~
 12 ~~July 1, 2012, a charge of \$20 per hour or part thereof, with a minimum~~
 13 ~~charge of \$20, shall be made for checks under this subsection. When a~~
 14 ~~vehicle is registered in another state, but is financed by a Kansas financial~~
 15 ~~institution and is repossessed in another state and such vehicle will not be~~
 16 ~~returned to Kansas, the check required by this subsection shall not be~~
 17 ~~required to obtain a valid Kansas title or registration.~~

18 (c) As used in this act, "identification number" or "vehicle
 19 identification number" means an identifying number, serial number, engine
 20 number, transmission number or other distinguishing number or mark,
 21 placed on a vehicle, engine, transmission or other essential part by its
 22 manufacturer or by authority of the division of vehicles or the Kansas
 23 highway patrol or in accordance with the laws of another state or country.

24 (d) The checks made under subsection (b) may be made by:

25 (1) A designee of the superintendent of the Kansas highway patrol; ~~or~~

26 (2) an employee of a new vehicle dealer, as defined in ~~subsection (b)~~
 27 ~~of K.S.A. 8-2401(b)~~, and amendments thereto, for the purposes provided
 28 for in subsection (f). For checks made by a designee or new vehicle dealer,
 29 10% of each charge shall be remitted to the Kansas highway patrol and the
 30 balance of such charges shall be retained by such designee or new vehicle
 31 dealer. If the designee is a city or county law enforcement agency, then the
 32 balance shall be retained by the law enforcement agency that conducted
 33 the inspection and shall be deposited into an account to be used for law
 34 enforcement purposes and shall not be used to supplant the law
 35 enforcement agency's budget. When a check is made under either
 36 subsection (a) or (b) by personnel of the Kansas highway patrol, the entire
 37 amount of the charge therefor shall be paid to the highway patrol; *or*

38 ~~(3) a certified vehicle identification number inspector pursuant to~~
 39 ~~subsection (g). For checks made by a certified vehicle identification~~
 40 ~~number inspector, 100% of each charge shall be remitted to the Kansas~~
 41 ~~highway patrol.~~

42 (e) There is hereby created the vehicle identification number fee fund.
 43 The Kansas highway patrol shall remit all moneys received by the Kansas

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1 highway patrol from fees collected under subsection (d) to the state
 2 treasurer in accordance with the provisions of K.S.A. 75-4215, and
 3 amendments thereto. Upon receipt of each such remittance, the state
 4 treasurer shall deposit the entire amount in the state treasury to the credit
 5 of the vehicle identification number fee fund. All expenditures from the
 6 vehicle identification number fee fund shall be made in accordance with
 7 appropriations acts upon warrants of the director of accounts and reports
 8 issued pursuant to vouchers approved by the superintendent of the Kansas
 9 highway patrol or by a person or persons designated by the superintendent.

10 (f) An employee of a new vehicle dealer, who has received initial
 11 training and certification from the highway patrol; and has met continuing
 12 certification requirements, ~~in accordance with rules and regulations~~
 13 ~~adopted by the superintendent of the highway patrol, may provide the~~
 14 ~~checks under subsection (b), in accordance with rules and regulations~~
 15 ~~adopted by the superintendent of the highway patrol, on motor vehicles~~
 16 that a new vehicle dealer purchases through a manufacturer's sponsored
 17 auction or on motor vehicles repurchased or reacquired by a manufacturer,
 18 distributor or financing subsidiary of such manufacturer and which are
 19 purchased by the new vehicle dealer. At any time, after a hearing in
 20 accordance with the provisions of the Kansas administrative procedure act,
 21 the superintendent of the highway patrol may revoke, suspend, decline to
 22 renew or decline to issue certification for failure to comply with the
 23 provisions of this subsection, ~~including or any applicable rules and~~
 24 ~~regulations. The superintendent of the highway patrol may promulgate~~
 25 ~~rules and regulations to administer the provisions of this subsection.~~

26 ~~(g)(1) An employee of a salvage vehicle pool, as defined in K.S.A. 8-~~
 27 ~~2401, and amendments thereto, who has received initial training and~~
 28 ~~certification from the highway patrol and has met continuing certification~~
 29 ~~requirements may provide the checks under subsection (b) on motor~~
 30 ~~vehicles that have been stored at the salvage vehicle pool's licensed~~
 31 ~~location if the vehicle is to be designated as a salvage vehicle pursuant to~~
 32 ~~K.S.A. 8-197(b)(2), and amendments thereto, a vehicle to be designated as~~
 33 ~~a nonrepairable vehicle pursuant to K.S.A. 8-135c(b)(1), and amendments~~
 34 ~~thereto, or a vehicle to be designated as a nonhighway vehicle pursuant to~~
 35 ~~K.S.A. 8-197(b)(1), and amendments thereto. At any time, after a hearing~~
 36 ~~in accordance with the provisions of the Kansas administrative procedure~~
 37 ~~act, the superintendent of the highway patrol may revoke, suspend, decline~~
 38 ~~to renew or decline to issue certification for failure to comply with the~~
 39 ~~provisions of this subsection or any applicable rules and regulations. The~~
 40 ~~superintendent of the highway patrol may promulgate rules and~~
 41 ~~regulations to administer the provisions of this subsection.~~

42 ~~(2) Prior to the Kansas highway patrol certifying any employee~~
 43 ~~pursuant to paragraph (1), such salvage vehicle pool shall furnish and~~

An employee of a salvage vehicle pool, as defined by K.S.A. 8-2401, and amendments thereto, who submits an application to the Kansas highway patrol pursuant to this section for six or more vehicles shall have such vehicles checked by the Kansas highway patrol within five business days of the date the application was submitted, provided, that the salvage vehicle pool submitting the application sells at least 2,000 vehicles combined per year from the salvage vehicle pool's licensed locations in Kansas as reported to the Kansas department of revenue. The salvage vehicle pool shall provide the Kansas highway patrol with the address of the salvage vehicle pool facility and the approximate location within the facility of the vehicles to be checked and shall clearly mark the vehicles that are to be checked. The salvage vehicle pool shall provide enclosed office space for use by the Kansas highway patrol during such checks of multiple vehicles. The employees of the salvage vehicle pool shall not be required to move the vehicles within the facility for purposes of the checks. In the event that the Kansas highway patrol is unable to complete the checks required by this subsection within five business days, the Kansas highway patrol shall notify the salvage vehicle pool of the reasons for such delay and the date when such vehicle checks will begin, except that the date shall be no later than 10 business days from the date the application for such checks was submitted.

1 ~~maintain a bond in the amount of \$50,000. Every bond shall be a~~
2 ~~corporate surety bond issued by a company authorized to do business in~~
3 ~~the state of Kansas and shall be executed in the name of the state of~~
4 ~~Kansas.~~

5 ~~(3) Only salvage vehicle pools that sell at least 2,000 vehicles~~
6 ~~combined per year, as reported to the Kansas department of revenue,~~
7 ~~from the salvage vehicle pool's licensed locations in Kansas may be~~
8 ~~eligible to have employees perform the checks pursuant to this subsection.~~

9 (h) No law enforcement agency or employee of such agency acting
10 within the scope of employment shall be liable for damages resulting from
11 the adoption or enforcement of any policy adopted under this section.

12 Sec. 2. K.S.A. 2020 Supp. 8-198 is hereby amended to read as
13 follows: 8-198. (a) A nonhighway or salvage vehicle shall not be required
14 to be registered in this state, as provided in K.S.A. 8-135, and amendments
15 thereto, but nothing in this section shall be construed as abrogating,
16 limiting or otherwise affecting the provisions of K.S.A. 8-142, and
17 amendments thereto, which make it unlawful for any person to operate or
18 knowingly permit the operation in this state of a vehicle required to be
19 registered in this state.

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

23 (1) If the transferor is a vehicle dealer, as defined in K.S.A. 8-2401,
24 and amendments thereto, and a certificate of title has not been issued for
25 such vehicle under this section or under the provisions of K.S.A. 8-135,
26 and amendments thereto, such transferor shall make application for and
27 assign a nonhighway certificate of title or a salvage title, whichever is
28 applicable, to the purchaser of such nonhighway vehicle or salvage vehicle
29 in the same manner and under the same conditions prescribed by K.S.A. 8-
30 135, and amendments thereto, for the application for and assignment of a
31 certificate of title thereunder. Upon the assignment thereof, the purchaser
32 shall make application for a new nonhighway certificate of title or salvage
33 title, as provided in subsection (c) or (d).

34 (2) Except as provided in K.S.A. 8-199(b), and amendments thereto,
35 if a certificate of title has been issued for any such vehicle under the
36 provisions of K.S.A. 8-135, and amendments thereto, the owner of such
37 nonhighway vehicle or salvage vehicle may surrender such certificate of
38 title to the division of vehicles and make application to the division for a
39 nonhighway certificate of title or salvage title, whichever is applicable, or
40 the owner may obtain from the county treasurer's office a form prescribed
41 by the division of vehicles and, upon proper execution thereof, may assign
42 the nonhighway certificate of title, salvage title or the regular certificate of
43 title with such form attached to the purchaser of the nonhighway vehicle or