

Session of 2021

SENATE BILL No. 36

By Committee on Transportation

1-15

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

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 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 from the salvage vehicle pool's licensed locations in
7 Kansas may be eligible to have employees perform the checks pursuant to
8 this subsection.

as reported to the Kansas
department of revenue

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

1 and amendments thereto, and the notice required in subsection (f)(3)(B)
2 has been attached to such vehicle.

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

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

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

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

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

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

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

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

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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
4 ~~certificate of title, a~~ salvage title or a nonrepairable vehicle certificate
5 shall be issued for the vehicle.

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

11 Sec. 3. K.S.A. 2020 Supp. 8-116a and 8-198 are hereby repealed.

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

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