

SESSION OF 2023

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2147**

As Amended by House Committee of the Whole

**Brief\***

HB 2147, as amended, would create law to require, beginning January 1, 2024, a public agency or towing or wrecking service lawfully selling an abandoned or towed motor vehicle to provide a certification to the purchaser that statutory recovery, storage, notification, and verification requirements associated with abandoned or towed vehicles have been satisfied, and that vehicle identification number inspection requirements have been met.

The certification of compliance would allow the purchaser of such a vehicle to apply for and receive a certificate of title free and clear of liens, security interests, and encumbrances.

The bill would require the certification to be completed on a form and in a manner approved by the Secretary of Revenue or the Secretary's designee, and would be subject to a fee of \$20 to be paid by the public agency or towing or wrecking service, to be retained by the county treasurer, Division of Vehicles of the Department of Revenue, or contractor that processes the certification of compliance form. The bill would specify the fee could be passed on to a purchaser or the vehicle's original owner upon reclamation.

The bill would also make conforming amendments to continuing law.

The bill would become effective January 1, 2024.

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\*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>

## **Background**

The bill was introduced by the House Committee on Transportation at the request of Representative Averkamp.

### ***House Committee on Transportation***

In the House Committee hearing, **proponent** testimony was provided by Representative Averkamp and by representatives of A & A Auto and Truck Parts, Denton Auto Salvage, and the Division of Vehicles, Kansas Department of Revenue. The proponents generally stated the bill would allow salvage vehicle dealers to more easily comply with federal requirements regarding titles for “end of life” vehicles and prevent additional costs and administrative burdens associated with the sale and disposal of abandoned or towed vehicles for which information required to obtain a title was not obtained correctly prior to their auction.

**Opponent** testimony was provided by a representative of the Kansas Motor Carriers Association, who stated the bill would shift the time, expense, and administrative burden from salvage dealers to the towing company or public agency providing towing service, and many of the vehicles that would be affected by the bill are not worth that effort and expense from the perspective of the towing and recovery service providers.

Written-only opponent testimony was provided by a representative of Sunflower Tow Service.

The House Committee amended the bill to provide for the certification of compliance procedures and remove provisions of the bill as introduced. It also amended the effective date to January 1, 2024.

[*Note:* The bill, as introduced, would have required parties towing and storing abandoned vehicles to have such vehicles titled prior to selling them.]

### ***House Committee of the Whole***

The House Committee of the Whole amended the bill to specify the certification of compliance fee would be retained by the entity that processed the certification.

### **Fiscal Information**

According to the fiscal note prepared by the Division of the Budget on the bill, as introduced, the bill would have no fiscal effect on the Department of Revenue.

A fiscal note on the amended bill was not available at the time of the House Committee action on the bill.

Motor vehicles; abandoned vehicles; towed vehicles; vehicle title