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MEMORANDUM

To: Senate Committee on Transportation
From: Office of Revisor of Statutes
Date: March 4, 2020
Subject: House Bill HB 2501

HB 2501 allows salvage vehicle pools to apply for ownership documents for disclaimed vehicles without forwarding the statement of origin or certificate of title to the Division of Vehicles when certain conditions exist.

Salvage vehicle pools are defined in K.S.A. 8-2401 as any person who as an agent for a third party is primarily engaged in the business of storing, displaying and offering for sale salvage vehicles. HB 2501 would allow salvage vehicle pools to apply for an ownership document for vehicles without forwarding a statement of origin or certificate of title when requested to store the vehicle by an insurance company, that insurance company has not paid the claim for the vehicle and when the vehicle has been abandoned for more than 30 days.

Additionally, HB 2501 requires the salvage vehicle pool to provide two written notices, evidenced by proof of delivery to the last known owner or any lienholder for the vehicle. This notice shall inform the owner or lienholder that they have 30 days to remove the vehicle from the salvage vehicle pool's property. If the salvage vehicle pool does not receive the required proof of delivery, then they must provide notice in a newspaper of general circulation in the county where the vehicle is located. If the most recent ownership document for the vehicle was not issued by Kansas, then the salvage vehicle pool must have the KHP perform a VIN inspection in accordance with K.S.A. 8-116a. Finally, if the salvage vehicle pool provides all of the required information and the conditions exist to allow for the application, the Division of Vehicles shall issue either a certificate of title, a salvage title or a nonrepairable vehicle title, whichever is applicable for the given vehicle. This ownership document will free the vehicle of all liens, security interests and encumbrances.

If enacted, the provisions of HB 2501 become effective July 1, 2020.